

## TO BE CAPTAINS, USAF (DENTAL)

John A. Barton, Jr., AO3000497.  
Philip D. Marano, AO3078843.  
Albert F. Morgan, AO3043913.  
Robert H. Scott.  
Wesley G. Slack, AO3002310.

## TO BE CAPTAIN, USAF (MEDICAL SERVICE)

Robert T. Maykoski, AO2234869.

## TO BE FIRST LIEUTENANTS, USAF (JUDGE ADVOCATE)

Vern D. Calloway, Jr., AO3030613.  
Thomas N. Frisby, AO1880011.  
Richard G. Trout, AO3060544.

## TO BE FIRST LIEUTENANTS, USAF (MEDICAL)

Robert H. Bonner, AO3075355.  
John R. Broadwater, AO3075054.  
Ronald E. Costin, AO3075071.  
John R. Crew.

Larry O. Goldbeck.

Carlos J. G. Perry, AO3075811.  
Eric Schaab, AO3088645.  
Howard F. Shortley, Jr., AO3088646.  
Fred R. Stowe, Jr., AO3075135.  
Donal F. Sweeney, AO3078158.  
Windell Vickers, AO3078096.

## TO BE SECOND LIEUTENANT, USAF (NURSE)

Barbara A. Boor, AN3078448.  
Joan L. Chatelain, AN3077443.  
Erma Flitsch, AN2242244.  
Barbara M. Moran, AN3078114.  
Frances M. Ready, AN2243245.  
Joyce M. Snavley, AN2241780.  
June J. Spirek, AN2244142.  
Virginia M. Walsh, AN2242023.  
Mary K. Wimmer, AN3078839.

## TO BE SECOND LIEUTENANTS, USAF (NURSE)

Mary J. Walker, AN3078271.

The following persons for appointment in the Regular Air Force, in the grades indicated, under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

## TO BE MAJORS

Leo I. Beinhorn, AO2023075.  
John R. Bell, AO727078.  
Hugh Bodiford, AO720757.  
John S. Bonner, Jr., AO667924.  
Wallace A. Burket, AO666621.  
John A. DePue, AO414454.  
Frank D. Furlow, AO1117792.  
Frank Mitchell, AO681691.  
Clifford H. Müller, Jr., AO437248.  
Clyde A. Perry, AO675001.  
Burton T. Poole, AO578897.  
Charles Ready, Jr., AO670432.  
Harvey E. Steinberg, AO570379.  
Edmund R. Verdieck, AO1001481.  
Allen S. White, AO672531.

## TO BE CAPTAINS

Robert S. Bothwell, AO1864782.  
Lloyd E. Gibson, AO2056789.  
David N. Leavitt, AO2236116.  
Clifford W. Nelson, AO944920.  
Walter C. Newton, AO2223590.  
William B. O'Donnell, AO939875.  
Robert L. Rodee, AO2223513.  
August J. Zoeller, AO729663.

## TO BE FIRST LIEUTENANTS

Emil R. Anastasio, AO3053523.  
Edwin A. Arnold, AO3050216.  
Richardson M. Bentley, AO3064398.  
Lawrence E. Brockman, Jr., AO3053382.  
William C. Colman, AO3064322.  
Walter C. Cornellison, Jr., AO3051726.  
William A. Cusimano, AO3053507.  
Jan W. de Graaf, AO3051246.  
John R. Dell Isola, AO3049972.  
Claude S. Dodd, Jr., AO3029553.  
Glenn D. Dysart, AO3049348.  
Lloyd W. Emerson, AO3052227.  
Sherwin Estrin, AO3053508.  
Loahman E. Forshee, AO3051871.  
Hal W. Hendrick, AO3029979.  
David E. Hiestand, AO3053409.  
Charles J. Januska, AO3047529.

Richard J. Jarvis, AO3053796.  
Leary J. Johnson, AO3064325.  
Robert K. Kinnebrew, AO3064431.  
Jimie Kusel, AO3050291.  
Homer E. Morgan, AO3064361.  
Franklin C. Moyer, AO3058840.  
James E. Obenauf, AO3057997.  
Charles E. Painter, AO3064363.  
Donald W. Rayment, AO3064366.  
Joe C. Rodgers, AO3027314.  
Warren N. Sams, Jr., AO3051698.  
Daniel C. Schaffner, AO3051735.  
Daniel A. Schaller, AO3064317.  
Charles E. Schuster, AO3056212.  
Robert A. Stein, AO3053153.  
George T. Stone, AO3051249.  
James C. Tsivourakis, AO3053352.  
David M. Williams, AO3049248.  
Nicholas Yankowski, AO3048731.

## TO BE SECOND LIEUTENANTS

*Distinguished officer candidate graduates*

William F. Flood, AO3101374.  
James M. Kiser, AO3101416.  
Richard C. Schaefer, AO3101479.  
Paul G. Smith, AO3101166.  
Lester D. Waymire, AO3101502.

*Distinguished aviation cadet graduates*

Conrad B. Edgett, Jr., AO3082184.  
Allen J. Fulleton, AO3082245.  
Howard H. Ginn, AO3082162.  
Dickie E. Landers, AO3082199.  
Frank I. Luddington, Jr., AO3082170.  
Ross A. McLean, AO3081864.  
Richard A. Skovgaard, AO3082189.  
William E. Stearns, Jr., AO3082255.  
Edward F. Sullivan, AO3081971.  
Jan A. Wells, AO3082176.  
William H. Williams, AO3082257.  
Donald G. Wolpert, AO3081974.  
Allan C. Youngblood, AO3082177.  
Herbert O. Zoeller, AO3081975.

Subject to medical qualification and subject to designation as distinguished military graduates, the following distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force in the grade of second lieutenant under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

John Stakle, Jr.  
Ronald W. Unnerstall.

The following-named midshipmen, United States Naval Academy, for appointment in the Regular Air Force, in the grade of second lieutenant, effective upon their graduation, under the provisions of section 8284 of title 10, United States Code. Date of rank to be determined by the Secretary of the Air Force:

Louis Samuel Cohen.  
Frank Wallace Franklin, Jr.  
George Edward Gifford.  
Robert Arthur Nash.  
Jack Rousseau Nickel.  
Charles Anthony Vickery.

## HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 30, 1959

The House met at 11 o'clock a.m.

Rev. James Pickett Wesberry, D.D., LL.D., pastor of the Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

*God is our refuge and strength, a very present help in trouble.—Psalm 46: 1.*

On the threshold of another day in Congress, O God, we approach Thy throne in deep humility of spirit. Deeply conscious of our insufficiency we cast ourselves upon Thine all-sufficiency. Thou art our help in ages past, our hope

for years to come, and our shelter from the stormy blast.

We feel deeply the sting and sorrow of our sins and most humbly confess them and beg Thy merciful forgiveness. Let the healing shadow of Thy cross rest upon us, giving us peace with everybody and everything.

How good Thou art to let us live in a land where the individual does not lose his halo. May everything we do be supplanted by the overwhelming desire to love, lift, and lighten. To this end we would rededicate our lives, our talents, our all, as instruments in Thy hands for the good and peace of the world.

Grant, we most reverently beseech Thee, to all who bear the burdens and responsibilities of Government, patience in tribulation, fervency in spirit, joy in hope, steadfastness in purpose, consistency in character, persistence in righteousness, and efficacy in prayer. Give us the able mind, the large heart, the magnanimous soul, the far vision, the warm, friendly, strong hand, and true wisdom to find our refuge and strength in Thee. Through Jesus Christ our Lord who strengtheneth us to do all things. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, without amendment, bills and a joint resolution of the House of the following titles:

H.R. 7. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America, and for other purposes;

H.R. 296. To authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in the Philippines in 1959; and for other purposes;

H.R. 1411. An act for the relief of T. V. Cashen;

H.R. 1453. An act for the relief of Mrs. Mathilde Ringold;

H.R. 1462. An act for the relief of Logan Duff;

H.R. 1535. An act for the relief of Sister Mary Damion (Maria Saveria D'Amello), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi);

H.R. 1691. An act for the relief of Oliver O. Newsome;

H.R. 1727. An act for the relief of Dimitrios Kondoleon (also known as James Kondolous);

H.R. 2063. An Act for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey;

H.R. 2099. An act to provide for a posthumous cast award in recognition of the scientific contributions in the field of electronic ordnance made by the late Paul M. Tedder;

H.R. 2237. An act to amend Chapter 13—Wage Earners' Plans—of the Bankruptcy Act;

H.R. 2281. An act to provide for the payment of relocation expenses to Milo G. and Patricia Wingard;

H.R. 2295. An act for the relief of the Sterilon Corp.

H.R. 2603. An act for the relief of the American Hydrotherm Corp.;

H.R. 2949. An act for the relief of Lois K. Alexander;

H.R. 2975. An act to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy, but which were subsequently determined to be inconsistent with applicable regulations;

H.R. 3095. An act for the relief of Hilary W. Jenkins, Jr.;

H.R. 3939. An act for the relief of Virginia E. Speer;

H.R. 4121. An act for the relief of certain members of the Armed Forces of the United States, or their survivors, who were captured and held as prisoners of war in the Korean hostilities;

H.R. 4314. An act for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson;

H.R. 4615. An act to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished to them by the United States, and for other purposes;

H.R. 4913. An act to amend the National Aeronautics and Space Act of 1958 to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia for its use; and

H.J. Res. 301. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives."

The message also announced that the Senate had passed bills, a joint resolution, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 29. An act for the relief of Magda Kusen Canjuga;

S. 33. An act for the relief of Bertha Glickmann;

S. 114. An act to provide for equal treatment of all State-owned hydroelectric power projects with respect to the taking over of such projects by the United States;

S. 178. An act for the relief of Wong Bick Quon (Maria Wong);

S. 181. An act for the relief of Mary (Marija) Grom;

S. 182. An act for the relief of Yong Chul Jurgens;

S. 199. An act for the relief of Stanislaw Siedlecka (Rejman);

S. 219. An act to provide for the construction of a fireproof annex building for the use of the Government Printing Office, and for other purposes;

S. 245. An act for the relief of Umeko Parker;

S. 334. An act for the relief of Hilda M. Humpole Goldschmidt;

S. 441. An act to extend the duration of the Federal air pollution control law, and for other purposes;

S. 498. An act to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission;

S. 524. An act for the relief of Giovanni Malara;

S. 548. An act granting the consent of Congress to a Great Lakes Basin Compact, and for other purposes;

S. 587. An act to provide for the advancement of Capt. Edward J. Steichen, U.S. Naval Reserve (retired), to the grade of rear admiral on the Naval Reserve retired list;

S. 593. An act for the relief of Angelinas Cuacos Steinberg;

S. 601. An act to authorize and provide for the construction of the Bardwell Reservoir;

S. 611. An act for the relief of Harry H. Nakamura;

S. 625. An act for the relief of Sophie Stankus also known as Sister Saint Ignace;

S. 626. An act for the relief of Maria Wolf-ram;

S. 843. An act for the relief of Ursula Gewin-ner;

S. 848. An act for the relief of Petar Trbojevic;

S. 940. An act for the relief of Anthony Lousedes;

S. 1034. An act for the relief of Asae Nishimoto;

S. 1315. An act to amend the Atomic Energy Act of 1954, as amended;

S. 1228. An act to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes;

S. 1239. An act for the relief of Herbert Westermann.

S. 1315. An act for the incorporation of the Blue Star Mothers of America, Inc.;

S. 1368. An act to amend sections 503 and 504 of the Federal Aviation Act of 1958 to facilitate financing of new jet and turboprop aircraft;

S.J. Res. 16. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as Edward Arthur Patterson Lake;

S. Con. Res. 21. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; and

S. Con. Res. 22. Concurrent resolution to print additional copies of certain hearings on transportation problems in Maryland, Virginia, and the Washington metropolitan area.

#### CALL OF THE HOUSE

Mr. NATCHER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 33]

Alford	Diggs	Rodino
Bush	Dorn, N.Y.	Weaver
Carter	King, Utah	Westland
Celler		

The SPEAKER. On this rollcall 420 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### MODIFICATION OF REORGANIZATION PLAN NO. II OF 1939 AND REORGANIZATION PLAN NO. 2 OF 1953

The SPEAKER. The unfinished business is the further consideration of the veto of the President of the bill S. 144, to modify Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, every Member of this House understands the purpose of the legislation and the Presi-

dent's objections thereto as set forth in the veto message. The issues are clear. We understand the reasons for the adoption of the legislation and the President's objections.

Mr. Speaker, the principle embodied in S. 144 has been under review by the Congress for 2 years. Extensive hearings have been held; many witnesses, both pro and con, have been heard; and otherwise extensive consideration has been given to this whole question.

All of us here are in complete agreement as to the necessity for and the benefits derived from the Rural Electrification Administration.

The purpose of the legislation and the reasons for its adoption have heretofore been thoroughly debated in this body. Therefore, I shall briefly summarize the issue.

The legislation restores to the Administrator of the Rural Electrification Administration the authority to approve or disapprove loans to be made under the Rural Electrification Act of 1936. There are other purposes, but this is the principal one.

After the adoption of Reorganization Plan No. 2 of 1953, wherein all functions and operations of the REA were transferred to the Secretary of Agriculture, the Secretary of Agriculture immediately redelegated all such functions and operations to the Administrator of the Rural Electrification Administration. So that for all practical purposes the Administrator of the REA was independent, particularly for loan-making purposes, except for general administrative supervision, just as he was prior to the adoption of the reorganization plan.

In 1957, however, the Secretary of Agriculture instituted a new policy whereby an official of his Department exercised a review of all applications for loans from the REA. This had the effect of restricting the authority of the Administrator to approve loans, since he could not grant final approval without this prior review. The purpose for such review was, as admitted, to have influence on the policies of such loan applications prior to the time that the loan was agreed to. These events were specifically brought out in the testimony of the committee and are alluded to in the original debate on the passage of the legislation, appearing on page 5852 of the CONGRESSIONAL RECORD for April 14, 1959.

This action taken by the Secretary of Agriculture was contrary to the understanding of many Members of Congress when the Reorganization Plan of 1953 was adopted. It was felt by them that this new procedure was a substantial change in the method of the operation of the REA, and that the Secretary of Agriculture, before instituting such a change, should have consulted with the Members of Congress, as he had agreed to do, at the time of the adoption of the 1953 Reorganization Plan.

In view of the admission of the Director of Agricultural Credit Services, that such procedure was a direct effort to influence policies on granting of a loan prior to its approval by the Administrator of REA, many of us felt that this was an unwarranted interference with

the judgment and discretion of the Administrator of the Rural Electrification Administration and the operation of his office. Furthermore, such a concept conflicted directly with the original intent of Congress in establishing the office. The Administrator of the REA is a Presidential appointee with a 10-year term of office, to be confirmed by the Senate, so as to remove him somewhat from the direct pressures of political policies emanating from changes in administration.

It is obvious and was admitted in the testimony that other standards and criteria than those called for in the Rural Electrification Act were being applied to the loan applications, and that there is a superimposing on or a substituting of the judgment and decisions of the Administrator of the REA program, which had heretofore never been exercised.

The argument that the proposal in the legislation is bad administration in that the Secretary would have the responsibility for the operation of the REA as an organization within his Department and yet would not have the administrative and other control necessary for good management is without weight. There are many other ways by which the administration can express its policies regarding this program.

As a matter of fact, the REA would be retained as an identifiable unit within the Department of Agriculture. The Secretary would have complete supervisory and administrative responsibility and jurisdiction. The Administrator of REA, however, would have the sole right to approve or deny a loan. The criteria, standards, the purposes and necessity for such loans are clearly set forth by Congress in the lawmaking and providing for such loans. There is no cogent reason for nonlegislative policy decisions.

Those who oppose this legislation choose to overlook the fact that the REA and its Administrator have in fact operated under the concepts proposed in this legislation from 1939 to 1957, during which time, all are agreed the operation was beneficial, accomplished its purposes, and without any undue administrative burden.

Therefore, the issue is simply that the Secretary of Agriculture in 1957 chose to change this method of operation and interject his policy decisions. The majority of both Houses of Congress do not agree with this. There is a direct issue concerning the intent of the Congress about a program of tremendous merit which has had outstanding success in bringing light and power to rural America since 1936.

While the issue is simple, the necessity of retaining congressional intent in the operation of this program is vital and urgent to its continued operation. The injection of administration policies into the loan operations of the REA in my opinion should be removed.

Therefore, Mr. Speaker, I urge that the bill, S. 144, be passed, the veto of the President to the contrary notwithstanding.

Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and that all other Members who

desire to do so may have the same privilege.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WEAVER. Mr. Speaker, it has not been often during my tenure in this House that I have chosen to set myself as opposed to the President of the United States. Such a decision is a hard one for a person of my political beliefs to make. Believe me, it was only after long and careful consideration, deep and concentrated thought, that I have made that decision.

With all due respect to the man who has so ably led this Nation through troublesome times, I believe that his veto of the Rural Electrification Administration reorganization program should not be sustained by the House.

Mr. Speaker, when the bill was first before the House I voted in favor of it. I did so then because, as a representative of a State which has grown greatly during the years in which REA has been in operation, I believe Rural Electrification has been largely responsible for this growth. I feel very strongly that the Administrator of this vital agency must have that kind of freedom of action which will continue to benefit the rural areas of our Nation, unhindered by the stultifying effects of too much adverse departmental control.

I felt those reasons to be valid when I voted in favor of the bill in the House. I still feel them to be valid reasons, despite the action by the President.

In voting for the bill originally I knew I was taking a course that differed from that of the President. I did so after deep thought and consideration. I do not believe there have been developments which would alter that course.

Therefore, Mr. Speaker, I am in favor of overriding the President's veto of this bill, S. 114.

Mr. SANTANGELO. Mr. Speaker, I rise to support S. 144, which the President has vetoed and returned to this House. S. 144 has two purposes. First, to restore to the Administrator of the Rural Electrification Administration the authority to approve or disapprove loans to be made under the Rural Electrification Act of 1936. The second purpose is to establish in the Rural Electrification Administration functions which it had prior to the passage of Reorganization Plan No. 2 of 1953 and to modify the effect of that plan and the 1939 plan so that the Secretary of Agriculture will not be able to distribute the functions of REA and diversify them to other departments or officials within the Department of Agriculture.

As a member of the House Appropriations Subcommittee on Agriculture, I have had the opportunity to study the administration of the rural electrification program, not only in the United States, but also on the Island of Puerto Rico. Coming from the City of New York as I do, you may wonder what concern a New York Representative has with a program which deals ostensibly only with rural electrification. From my studies and observations, I have concluded, and it is a demonstrable fact, that rural electrification is intimately

connected with the welfare and the economy of the industrial cities and the industrial areas. Electrification of rural areas and farms has given a tremendous impetus to the utilization of electrical appliances and diversified equipment. Since the initiation of the rural electrification program, 96 percent of the farms in the United States have been electrified. On some farms, there are over 400 different methods and uses of electricity. As a consequence, farming has improved and electrical consumption has increased tremendously.

The farmers and residents of rural areas are using a great number of televisions, freezers, frigidaires, radios, small electrical appliances, and many other gadgets. They have utilized electrical instruments for the storage of their grains, for the breeding of their hogs, whereas formerly they could not complete or perform this type of work. The income to the farmer consequently has increased and their mode and manner of living has improved. With the electrification of every rural farm has developed an outlet for the purchase of goods sold in the cities and in the industrial areas. We, in our factories, have been able to manufacture more electrical equipment, provide greater employment, and increase the total wages earned by the workers in the cities.

The rural electrification program is one of the outstanding social and economic developments in American agriculture in the 20th century. It has brought about profound changes in farm living and in the productive capacity of the American farm. With this development has come a profound change in industrial production. We in the cities have profited by the expansion of this system in the farms.

Some facts and statistics demonstrate the extent of this program. Since 1935, REA has made loans to 1,050 organizations for the provision of electric service in rural areas. The loans amount to \$3.8 billion. Of the borrowers, 950 are the farmer-owned type; 76 are the public-owned type; and 24 are electric power companies. The loans were made to finance service for more than 5 million consumers from 1.4 million miles of line. The typical REA electric borrowers serves about 3,700 consumers and operates approximately 1,300 miles of line. It has received \$2.9 million in loans.

Last year and this year, we learned that the Secretary of Agriculture and his advisers, and also the Republican administration, sought to revise the policy of making loans to rural cooperatives and groups. It believed, and does believe, that the 2-percent rate of interest which these cooperatives and organizations pay to the Rural Electrification Agency is too low and that these cooperatives should pay a higher rate of interest to private banks and other financial institutions. The policy, therefore, of the administration of the Secretary of Agriculture has been to discourage the expansion of REA loans and urge the borrowers to go to private lenders for their financing. The purpose of this bill is to make sure that if a borrowing group meets the standards set forth by the Rural Electrification Act

and qualifies under those standards that they should not be denied loans because a Secretary of Agriculture or an administration, as a matter of policy, feels that the rate of interest is too low.

We are not concerned with filling the pockets of private lenders and financial overlords at the expense of the electrical consumers on the farms. There should be no politics in the administration of the rural electrification program. The Administrator of the program, Mr. David A. Hamil, has done a wonderful job. Only 1 out of 1,050 loans has defaulted in the payment of principal and interest, and even this one has rearranged its program so that it is now financially straightened out to make its payments. Every one of the electrical borrowers has paid its principal and interest, totaling \$1.1 billion, including over \$140 million in advance of due dates. This excellent record is a high tribute to the integrity and efficiency of the people who organize and operate the REA financed systems.

At this point, I would like to put in the RECORD a statement uttered by Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association:

President Eisenhower's veto of the Humphrey-Price bill (S. 144) further repudiates the concept of nonpolitical administration of REA and ought to be promptly overridden.

For a quarter of a century, REA loans have been made on the basis of merit according to technical standards established by the Rural Electrification Act. Two years ago, without consulting the Congress, the Secretary of Agriculture restricted the Administrator's authority and injected a new and secret standard for loans. Despite the fact that the REA Administrator is appointed by the President for a 10-year term of office, and is confirmed by the Senate, a political appointee in the Department of Agriculture was given veto powers over the Administrator's loan decisions.

S. 144 will correct this. It will do so simply by reestablishing what has worked with such great success in bringing light and power to rural America since 1935. It will provide for good administration that we know will work and it will remove the shadow of political influence in the loanmaking function of REA.

The President's veto repudiates the judgment as expressed by the overwhelming vote in both Houses of Congress that REA should again be a nonpolitical agency as before the Benson order. The President disregards the judgment of thousands of rural people serving on rural electric boards who in the last 2 years have expressed time and again the need for this legislation.

We hope the President's unfortunate action may be corrected by friends of REA, in both Houses of Congress and in both political parties, as they join in a vote overriding the veto. We are confident Congress will not allow political cronyism within the Administration to block this needed and deserving legislation.

While only 4 percent of the rural populations has not received electrification, still, according to American standards, 4 percent is too many. We must not permit a hostile administration or a Secretary of Agriculture, hostile to the purposes of the program to have the power to exercise a veto over loans which qualify and meet the standards set forth in the electrification program. I, there-

fore, feel it my duty to vote for the passage of the bill and override the veto of the President of the United States.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I know I am speaking for the 35,000 rural electric co-op members in my district as well as for myself when I urge my colleagues to join me in voting to override the President's veto of the Humphrey-Price REA bill.

I feel that the rural electrification program has done more for rural America than any other Government program. When REA was started in 1935, only 11 percent of the Nation's farmers had central station electricity. Today 96 percent of the country's farms are electrified. The city folks have benefited, too. Over the years, farmers have spent better than \$12 billion for electrical equipment, thus providing a vast new market for the products of our factories.

Anyone who has watched the rural electrification movement as closely as I have knows of its many intangible benefits. Once a farm home has electricity, the standard of living for the family rises sharply. How can a person adequately describe the human benefits of indoor plumbing, of hot water, of refrigeration, of electric cooking, of radio and television, and of just light itself?

Mr. Speaker, something as important to the welfare of this country as the rural electrification program should not be allowed to be made into a political football, to be kicked this way and that way until eventually it is destroyed. The Humphrey-Price bill would effectively end the practice instituted in 1957 by Agriculture Secretary Benson of having his political appointee pass judgment on loans before the REA Administrator can sign them. As I observed when this bill was before the House on April 15, I do not feel it is the intent of Congress to have a well-paid and competent Administrator of the REA program sitting on the knee of the Secretary of Agriculture, taking his orders and mouthing his words like a well-disciplined Charlie McCarthy. The fact that the Humphrey-Price bill passed both the House and Senate by wide margins shows Congress does not think the Secretary of Agriculture should have veto power over REA loans.

Two days ago, the Senate voted to override the Presidential veto on the Humphrey-Price bill. I hope the House will do likewise, and by so doing, will remove the threat of political interference with the REA loan program and restore the organizational setup that has worked so well and accomplished so much in the past 24 years.

Mr. SMITH of Iowa. Mr. Speaker, the President in his veto of S. 144 has rendered a body blow to the cause of Government reorganization. Many in Congress have voted for Government reorganization plans reluctantly with a desire for more efficient and economical government but also with the fear the executive department might abuse the power they were being given. The Presidential veto not only approved the abuse of power by Secretary Benson in the issuance of the secret order of 1957 in violation of his promise to Congress, but

also the veto displayed an intent to continue to abuse reorganization powers granted regardless of the overwhelming vote of the Congress to stop such abuse. Congressmen who were formerly merely reluctant to support grants of power to reorganize departments are now fortified in their previously subdued opinion that such power should not be granted for fear it would be abused. The President's attitude has rendered a great disservice to the cause of Government reorganization.

Even if the veto is overridden, those of us who believe in reorganizing the Government to avoid duplication must expect tremendous resistance from now on based upon the fact that one administration not only abused the power given, but also would have continued the abuse but for the fact that the vote against it was 2 to 1 in both legislative bodies. Under these circumstances, it takes a margin of 2 to 1 to recoup what 51 percent granted.

Failure to override the veto would also encourage the administration to use every device the friends of REA have feared would be used to raise interest rate costs for REA expansions. This might be done by issuing orders that loans will not be approved until the applicant can show it cannot acquire a loan elsewhere at a higher rate of interest. This is possible under the procedure established by the secret order of 1957 and such a procedure was used under the Watershed Act without the authority of Congress.

REA was given an assignment of providing power for that portion of the population which lives on farms and in communities of 1,500 or less where public power had not supplied them with electricity. It is recognized that high interest rates could not be paid and provide reasonable power rates to these customers, because the investment per customer was so high. All workers, manufacturers, and merchandisers of electrical equipment have benefited greatly from this new market and will continue to have such a market if these customers can secure more electric current for new electrical equipment.

The use of power granted under reorganization acts to raise interest rates and curtail such expansion would be against the public interest and would certainly further chill the attitudes of Members of the Congress toward Government reorganization. It is important to the cause of both REA and future Government reorganization to promote efficiency and economy that the veto be overridden.

Mr. DERWINSKI. Mr. Speaker, ladies and gentlemen of the House, I feel I would be avoiding my responsibility to the people of my district, and in fact the people throughout the Nation, if I did not call your attention to the obvious fact that the Humphrey-Price bill which the President has wisely vetoed, is, despite its technical nature, being used at the moment as a "Trojan Horse" to open the door for excessive spending programs to be placed upon the backs of the already over-burdened taxpayers of America.

I will not discuss the technical question involved further—and I will not discuss any of the problems or indulge in charges and countercharges relative to the REA. I leave that task to my distinguished colleagues who are experts in that field, and in particular, I leave the task of defending the administration's handling of the REA to my good friend, ANCHER NELSEN, Second Minnesota District.

The facts are that this bill is a political attack upon Secretary of Agriculture Benson. Representing an urban district, I feel, as I pointed out, my responsibility to the people whom I represent by showing them that this attempt to override the veto is merely designed to show the Democratic Party muscles. If successful on this technical issue, the spenders here in Congress will then attempt to regiment this majority vote in favor of the unnecessary extravagant spending proposals which if enacted would provide them political ammunition with which to run the next campaign, but would also bankrupt the country and the generations to follow.

The militant, constructive, progressive thinking Republican minority which is interested in the welfare of all citizens as taxpayers is all that is keeping the wild spending, self-styled liberals from forcing through unrealistic Federal programs which would not alleviate any of the major problems of the day, but would push us further down the road to ruinous inflation.

I urge my colleagues to give these thoughts your serious consideration and vote to sustain the President in his veto of this bill.

Mr. NELSEN. Mr. Speaker, I rise in support of the President of the United States in his veto of this bill. I also rise in support of the farmers of the Nation because I am interested in the power that REA delivers to the farmer, not the politics that it will deliver to the politicians.

This measure seeks to amend the law under which I operated as Administrator of this program, and I wish to say that at no time and under no circumstances from any level was my operation interfered with. I am advised by the present Administrator, Mr. Hamil, that never has his final decision been interfered with. Under these circumstances, to me it is obvious that the issue is a phoney one, and judging from the performance that we have seen, it obviously is intended to be used as a political issue without any intention of producing any benefits to the farmers of America.

The administration of government is no different than a business. In this case the President has been selected by the people as the head of our Government; he in turn selects the cabinet officers, and they in turn have under their direction various departments of government and they are directly responsible for the performance of those departments. If they are responsible, they must have some authority. Without it they would be in no position to guide the programs under their direction.

This proposed measure develops into an administrative hybrid that says to the Secretary of Agriculture: "You are re-

sponsible for the REA program, but in certain phases of the program you have no authority." This could mean that at some future time you might have an unfriendly REA administrator and no one would be in a position to do anything about it.

The charges that have been made, on which this issue has been so cleverly built, are not borne out by the facts. The charge that the Secretary has denied approval of loans is false. The truth of the matter is, according to the testimony, that the Secretary has asked to be advised of some of the larger loans only. The facts are that in no instance has the Secretary denied approval of a single loan. There is only one way to prove these statements and that is to look at the record.

As previous testimony has indicated, under the Eisenhower administration, \$1,200,000,000 has been loaned in the electric program, as compared with \$2,600,000,000 in the previous 17½ years. The generation of power, a most important part of this program, finds the amazing record of 1,116,000 kilowatts of capacity installed throughout the Nation. This compares with 1,145,000 kilowatts of capacity in the previous 17½ years.

In the electric program we now find that the rate of delinquency is the lowest in history; we find the cost of power the lowest in history. All of these things are possible because of the fact that under the Eisenhower administration it has been the dedicated objective of the administrators, including myself, to cultivate a climate of cooperation in the utility field, whether it be power companies, municipalities, government, or co-op. The result has been that instead of controversy, we have cooperation, and in cooperating in this field, lower costs are bound to result.

In the administration of this program today there is approximately a half billion dollars of unadvanced funds, which simply means that the administrator has approved the loans, but they have not drawn these funds because they have an adequate supply of their own, but the money is in the bank waiting for them.

In the telephone program, the record has been still better. In 1953 when I became the Administrator, only 7,500 farm families were served with the RTA—telephone—program. Today over 300,000 are receiving telephone service because of this program.

So in adding the score, there can only be one conclusion, and that is that the Eisenhower administration has delivered to the farmer all that he needs, and some to spare. This program has served us in a manner that we can be proud of, and certainly no one has a justifiable complaint.

During the time that I served as Administrator, out of Washington came the propaganda line of calamity and catastrophe, time after time. Farmers were told that things were about to collapse. They never did, and they never will if we take care of our housekeeping by careful management of the systems that we serve.

If the proponents of this measure believe what they say, they were voting for the wrong bill. In the other legislative body we had what was known as the Curtis bill. This measure would have set up REA as a separate agency, which as a matter of comparison put it almost at Cabinet level. Under such a process, the Administrator would be in charge, and no one would be in a position, except the President of the United States, to interfere in any way whatsoever.

The bill under consideration is also an administrative hybrid because it fails to do what it says it is attempting to do. It does not strip the Secretary of authority over loans, because by directive to the Legal Division, which is under the Secretary's Office, interference could easily be effected, and further damage could be done by the reshuffling of personnel, or by the disrupting of administrative policies. Moreover, by lack of cooperation on loan fund requests, a future Secretary could easily damage the program.

The conclusion is that you have, in effect, a situation that has not been corrected as far as the proposed legislation is concerned; and you have at the same time evidence to prove that there is no situation which needs to be corrected. It is therefore a doubly phony issue.

The REA program has great political appeal because of its tremendous value to the American farmer. The result is that, today, too many times it has become a political instrument for some of the politicians who wish to use it. The farmers of America deserve better treatment than they have received, and it is my intention to stand firmly by to see that they get it. I am convinced that the House of Representatives will sustain the President in his position.

Mr. REES of Kansas. Mr. Speaker, I regret the final vote on this proposed legislation has become a "political football" rather than a vote on the merits of legislation. Since this measure was considered in the House several days ago, I have gone over the record rather carefully. I do not find any serious maladministration or mismanagement of the REA by those presently assigned to administer the act. I have also been assured that the present policy will be continued by those in charge.

REA Administrator David L. Hamil, appointed by this administration, performed outstanding service. Mr. Hamil in his testimony before the committee said as follows:

In not a single instance has Secretary Benson or Director (of Agricultural Credit Services) Scott interfered in the discharge of my responsibilities as Administrator of REA. I make the loans.

According to the record and I quote again:

Electric loans approved since January 1, 1953, total \$1.2 billion, compared to \$2.6 billion loaned in the previous 17½ years of the program. More than 79 percent of all telephone loans have been made since January 1, 1953. Since January 1, 1953, REA electric borrowers have accumulated more than half of their current net worth. They have made 66 percent of their total principal repayments, and 60 percent of their total interest payments. On January 1, 1953, the number of delinquent REA electric borrowers was

45; in April 1959, the number had been reduced to one. The basic policies which guide REA were developed in the early days of the program, and they have been reaffirmed by successive REA Administrators.

The REA has made an outstanding record. The Director, the Regional Directors and State Directors, as well as all those in charge of administering the act have performed outstanding service. The record proves it. They are all to be commended for the splendid service they have rendered to the people whom they serve, and to the country.

I should also add there has been no activity more helpful to the farmer of this country than the service of the REA.

It seems to me in view of this record it is only fair that those in charge of this great service be given opportunity to carry on their splendid work in administering the REA. If there are complaints on the part of those who receive service from REA, I am sure the Members of Congress will be glad to see that the rights of REA membership are properly protected.

Mr. SCHWENGEL. Mr. Speaker, I take the floor today to talk briefly on reasons for sustaining the Presidential veto of S. 144.

The record will show that I voted for this legislation on the House floor recently. I did so because I thought a basic issue was involved and because I thought this would be one step in the direction of taking the REA entirely out of the Department of Agriculture. I would have much preferred voting for S. 75, the Curtis bill. This, the record shows, was defeated in the other House.

If the Presidential veto is sustained, and I now hope it is, I shall support any move in the future that will attain what I thought was the original objective of S. 144 or what is provided for in the Curtis bill and I sincerely hope that this matter would be given further consideration by the proper committee and by the Congress.

Mr. Speaker, until this morning I had reluctantly decided that I would vote to override the veto even though I feared that this whole proposition was fraught with partisan politics, and even though I also feared that this might be the first of a whole series of attempts to override Presidential vetoes this session. However, this morning I received a letter from Mr. Clyde Ellis, general manager of the National Rural Electric Cooperative Association and enclosed with the letter was a statement by Mr. Ellis on the Humphrey-Price bill which has caused me to change my mind. This letter and the enclosed statement have reaffirmed a suspicion that I have had for a long time and that is that Mr. Ellis unfortunately has been and is trying to gain advantages by unfair means.

He apparently, at times, has very little regard for the truth. Since the REA program has done so much good for such a large cross section of an important group in our farm communities and since the REA has such a fine record of achievement for the farm people, the things that they need and ask for could very well stand on this excellent record of service and achievement. An appeal to reason, to what is

right and citing their true record of achievement, almost unparalleled in the history of mankind, should and could be their most potent weapon to get improvements needed by legislation. It should not be necessary to try to gain advantage by implying that certain people are unfriendly to the program, when in fact they are actually friendly, by implying that only one political party has the public welfare at heart in this regard and by allowing the publication facilities of this organization to be used in an attempt to gain unfair political advantage.

This morning I received the following statement by Clyde Ellis:

President Eisenhower's veto of the Humphrey-Price bill (S. 144) further repudiates the concept of nonpolitical administration of REA and ought to be promptly overridden.

For a quarter of a century, REA loans have been made on the basis of merit according to technical standards established by the Rural Electrification Act. Two years ago, without consulting the Congress, the Secretary of Agriculture restricted the Administrator's authority and injected a new and secret standard for loans. Despite the fact that the REA Administrator is appointed by the President for a 10-year term of office, and is confirmed by the Senate, a political appointee in the Department of Agriculture was given veto powers over the Administrator's loan decisions.

S. 144 will correct this. It will do so simply by reestablishing what has worked with such great success in bringing light and power to rural America since 1935. It will provide for good administration that we know will work and it will remove the shadow of political influence in the loanmaking function of REA.

The President's veto repudiates the judgment as expressed by the overwhelming vote in both Houses of Congress that REA should again be a nonpolitical agency as before the Benson order. The President disregards the judgment of thousands of rural people serving on rural electric boards who, in the last 2 years have expressed time and again the need for this legislation.

We hope the President's unfortunate action may be corrected by friends of REA, in both Houses of Congress and in both political parties, as they join in a vote overriding the veto. We are confident Congress will not allow political cronyism within the administration to block this needed and deserving legislation.

There is only one implication that can be drawn from this and that is that during the last 5 or 6 years loans have not been made on standards previously adopted. My investigation shows conclusively that every loan application which has been submitted to the Rural Electrification Administration which meets the qualifications of the criteria set forth in the act and the rules and regulations of REA pursuant to the act which was in effect before 1952 have been approved subsequent to 1952. I hereby challenge Mr. Ellis to submit for the record one application that meets these criteria that has been filed that has not been approved. Mr. Ellis further says:

Two years ago without consulting the Congress the Secretary of Agriculture restricted the Administrator's authority and injected a new and secret standard for loans.

Obviously, if all of the loan applications that have been received by the Department of Agriculture which meet the

criteria that was established prior to 1952 have been approved there could not be any truth in this assertion. Furthermore, on March 6, 1959, before the House Committee on Government Operations, REA Administrator David A. Hamil testified as follows:

In not a single instance has Secretary Benson or Director (of Agricultural Credit Services) Scott interfered in the discharge of my responsibilities as Administrator of REA. I make the loans.

The fact that in June 1957 it was suggested by the Secretary that loans in excess of \$500,000 and new telephone lines should be forwarded to the Director of Agricultural Credit Services for his information before final approval by the REA Administrator does not form the basis for any such assertion as was made by Mr. Ellis. You would think a charge such as Mr. Ellis has made would at least have the justification of some loans having been denied or delayed but a check shows that this is not the case.

Certainly the administration which has approved \$1.2 billion worth of electric loans since January 1, 1953, a period of approximately 5 years, when only \$2.6 billion were loaned in the previous 17½ years of the program makes such statements as Mr. Ellis' appear downright ridiculous. In fact, in my own district one of the largest single generating plants in Iowa was approved by the Administrator of REA on March 4, 1957. It was for the eastern Iowa light and power generating plant at Wilton Junction, Iowa.

The third sentence says:

Despite the fact that the REA Administrator is appointed by the President for a 10-year term of office and is confirmed by the Senate, a political appointee of the Department of Agriculture was given veto powers over the Administrator's loan decisions.

Here again there is the clear implication that there has been a change of policy in the Department and that a political appointee of the Department was given a veto power over the Administrator's loan decision. This is untrue and I challenge Mr. Ellis to present any evidence that it is true. The Secretary of Agriculture, has assured me of this fact in writing and I have the word of Mr. David A. Hamil, Administrator of REA, that Mr. Ellis' statement is untrue and furthermore that there has been no dictation whatsoever by anybody with respect to how he administers the law.

Mr. Ellis has charged the Eisenhower administration with an attempt to deliver the Nation's REA system "into the hands of Wall Street bankers." Mr. Ellis is reported in the Rural Electrification magazine March 1959, page 47, as having said:

That crowd is hellbent on handing us over to the Wall Street bankers and the Wall Street-controlled power companies and they're not going to rest until they do it.

It is typical of those who are guilty to try to throw the naive and unsuspecting off the track, by charging someone else with the guilt that is their own. Wall Street is a heinous devil to be held up to farmers throughout the country when you are trying to create fear, but

Wall Street to Mr. Ellis appears to be a fine place to obtain money and enhance your own power when you can make a deal for your own personal benefit. For example, Mr. Ellis in the Rural Electrification magazine for January 1959 on page 4 explains how he proposes to establish a pooled reserve investment fund. This is all set forth in quite persuasive and proper terms. The tip to what is going on appears in the last paragraph as follows:

To date, we have received several formal proposals from trust companies and others for the handling of systems' reserve on a pooled basis.

Perhaps Mr. Ellis would like to come before a committee of the Congress and explain just what it was he was proposing to do with the Bankers Trust Co. of "Wall Street," New York in order to set up this reserve pool. The article does not point it out to the membership clearly, but nevertheless the idea set forth what Mr. Ellis proposed to do was to gain control of all of the reserves of all of the REAs which would amount to over \$300 million.

As further proof that there is no anti-REA feeling in the Agriculture Department I should like to point to the following report:

#### PROGRESS OF THE REA PROGRAMS SINCE 1952

Profound post-war changes in the character of rural America—including the growth of a large non-farm population, the increasing use of electricity for farm and home chores, and the development of new rural industries and processing plants—have greatly increased the demand for adequate and reliable electric service in rural areas. In addition, the growing interdependence of city and country has made modern dial telephone service a virtual necessity in rural America. Since 1952, the Rural Electrification Administration has steadily increased the tempo of its activities to help 985 active electric borrowers and 638 rural telephone systems to meet this continuously growing demand for their services.

#### LOAN NEEDS MET FULLY

Loans to rural electric systems approved during calendar year 1958 totaled \$213.8 million, bringing total electric loans approved since inception of the program to more than \$3.8 billion. About \$1.2 billion of this total has been made since January 1, 1953. Telephone loans reached the record high of \$102.9 million in calendar year 1958. More than 79 percent of all telephone loans and about 31 percent of all electric loans have been made since January 1, 1953.

#### EIGHT HUNDRED THOUSAND CONSUMERS ADDED IN 6 YEARS

Some 800,000 new consumers and 180,000 miles of line have been added to the systems of REA electric borrowers since January 1, 1953. The current rate of addition is more than 120,000 consumers a year. Among these new users, non-farm consumers outnumber farm consumers 3 to 1. Power sales to non-farm establishments now are greater than to farmers. Besides this growth in numbers, consumers are using more kilowatt hours of electricity each year. Annual consumption averaged 3,050 kilowatt-hours per consumer in 1953; in 1958, it was estimated at 4,450 kilowatt-hours. Power sales on systems financed by REA rose 10 percent over 1957 during calendar year 1958, reaching an estimated 21.7 billion kilowatt-hours.

#### MORE POWER ASSURED FOR RURAL CONSUMERS

Particular attention has been given to borrowers' needs for an expanding supply of

power at low cost. REA has pressed the search for more economical means of power production and has assisted borrowers to obtain substantial savings in initial investment and operating costs through interconnection, joint operation, and more efficient generating units. In calendar year 1958, REA approved loans to provide 214,000 kilowatts of additional generating capacity. Installed capacity stood at nearly 1.3 million kilowatts on January 1, 1959.

During the first 17½ years of the REA electric program, loans provided for a generating capacity of 1,145,000 kilowatts. During the next 6 years—beginning January 1, 1953—loans were approved providing for an additional 1,116,000 kilowatts of generating capacity. Generation and transmission loans have accounted for almost 31 percent of the total loaned for rural electrification since January 1, 1953, compared with 19 percent before that date. Forty-three percent of the 1958 loans were approved for generation and transmission facilities.

During the past 6 years, first loans have been made to five new generation and transmission cooperatives. In addition, one cooperative has successfully negotiated with AEC for construction of a nuclear reactor as part of AEC's power demonstration program, and 20 borrowers or groups of borrowers have obtained access permits for information from AEC. REA itself is keeping abreast of nuclear developments.

#### FARMERS PAY LESS FOR ELECTRICITY

The average price of power paid by rural residential consumers has dropped more than three-fourths of a cent per kilowatt hour since 1952. This is due largely to the increased use of electricity. The average price is now about 2.68 cents per kilowatt hour, lowest in REA history. The wholesale cost to REA distribution borrowers is also at a record low—about 8 percent lower than in 1952.

#### BETTER TELEPHONES AND MORE OF THEM

In early 1953, only 40 REA telephone borrowers had cut over 85 dial central office to bring new or improved service to 7,500 subscribers. As of January 1, 1959, 488 borrowers had cut over 1,855 new dial exchanges. Loans approved since January 1, 1953, will benefit about 800,000 farm families and other rural subscribers. Total telephone loans to date will benefit about 1,100,000 rural subscribers.

#### BORROWERS BUILD FINANCIAL STRENGTH

Given encouragement toward independence and self-reliance, REA borrowers have made substantial financial progress since 1952. Net worth of electrification borrowers has more than tripled, increasing from \$161 million at the end of December 1952 to \$512 million on December 31, 1958. During the 6-year period January 1, 1953, to January 1, 1959, the number of electrification borrowers behind in their loan payments dropped from 45 to 6. In the same period, the balance of payments on debt made in advance of due dates rose from \$52.5 million to about \$139 million. In the much newer telephone program, the balance of advance payments now exceeds \$1 million, and all but 16 borrowers are current or ahead of schedule on debt payments.

#### EFFICIENCY BENEFITS ALL

REA has streamlined its procedures to speed processing of loans, to give improved service to borrowers, and to reduce administrative costs. With 11 percent fewer employees today than in 1952, REA is administering much bigger electric and telephone programs. Working with industry REA carries on constant research to hold down construction costs and to improve performance and service.

#### PLANNING FOR FUTURE GROWTH

To help borrowers keep ahead of new power demands, the Rural Electrification Administration has developed new techniques of long-range planning for rural electric systems. As a result, borrowers will be able to schedule construction several years in advance and to expand at minimum cost. New telephone construction also is being planned to meet needs over an extended period.

Apparently it all depends on who is using "Wall Street" whether it is good or bad.

Mr. Ellis persists in dragging REA's into the public versus private power fight as a partisan advocate of public power. For example, recently in Jacksonville, Fla., he said:

I want to tell you today what I have said many times in the past—that we in NRECA are pleased to have the opportunity of working with the American Public Power Association and its outstanding general manager, Alex Radin, and his able staff.

While the most constant contact between these two associations in Washington is important in our mutual understanding of public affairs and technical problems, I firmly believe that the combined influence that we exert in the legislative field is of vital importance to all of us here today. Because, in the final analysis, it is on the legislative front where the day-to-day skirmishes culminate in the showdowns that affect the very existence of public power and therefore the future of all consumer-owned and operated utilities.

Another and more disturbing example is a statement by Clyde T. Ellis entitled "Mobilize and Counterattack," delivered before 10 regional meetings of the NRECA in the fall of 1958:

We must make every effort to get legislation to . . . authorize and permit the establishment of public power districts, and for converting electric cooperatives and all other non-Government power facilities within the power district's borders into such districts, as might be necessary.

Clearly this is a proposal to liquidate the local REA cooperatives. And still Mr. Ellis poses as a friend of the REA cooperations and castigates others who are the real friends of REA.

I have no intention of standing idly by and letting men like the present General Manager of NRECA liquidate REA cooperatives. I am sure the farmers in my district, all over America, would be opposed to their cooperatives being liquidated and delivered into the hands of the Government.

Mr. Speaker, because of the fact that I originally intended to vote to override the presidential veto, it might be interpreted that the REA has been mistreated by this administration and by the very fine Administrators we have had in ANCHER NELSEN and David Hamil; and further, since it is apparent now the decision is purely a partisan political one on the part of Mr. Ellis, and for other reasons which time does not permit me to develop now, I have decided I am fully justified in sustaining the President's veto. However, I do this with the hope that I might have an opportunity later to work for and vote for a proposition which will take the whole REA question entirely out of the Agriculture Department and let it stand on its own as an

independent organization which I believe it is well able and qualified to do now.

Mr. DIXON. Mr. Speaker, last Tuesday the Senate bowed to the altar of petty politics and overrode the President's veto of the Rural Electrification Administration bill for which there was no semblance of justification.

I hope the House today will have enough real statesmen who will rise above petty politics to sustain this veto. In my opinion the chief purpose of the bill was to "crucify" Secretary Benson.

The authority of the Secretary of Agriculture over the REA loans was established under President Roosevelt.

The following is just a brief summary of why this bill was a phony.

It would keep the REA in the Secretary's Department and hold him responsible, but deny him any control.

It would create a double-headed organization contrary to good government and the Hoover Commission's recommendation.

It attempted to take control of loans away from the Secretary when REA Administrator David A. Hamil testified that "in not a single instance has Secretary Benson or Director Scott interfered in the discharge of my responsibilities as Administrator of REA. I make the loans."

When the REA was established, only a few farmers enjoyed its electric service, now 96 percent have electricity.

Loans of more than \$1 billion have been made during the last 6 years under Secretary Benson. This is nearly half as much as was loaned by the agency in the 17 years prior to Secretary Benson's administration.

Mr. MEADER. Mr. Speaker, I hope the House will not override the President's veto of S. 144; a bill which removed the power of the Secretary of Agriculture over loans by the Rural Electrification Administration.

I opposed the House measure when it was before us April 15, 1959, setting forth my reasons which appear on pages 6006-6008 of the CONGRESSIONAL RECORD of that day.

After the bill had passed the House, I wrote to the President urging him to veto the bill and in addition, wrote a newsletter to my constituents reporting on this legislation and my participation in the debate. I incorporate a copy of that letter at this point in my remarks:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., April 20, 1959.

DEAR FRIEND: The House last week passed, 254 to 131, a bill stripping Agriculture Secretary Benson of his authority over loans by the Rural Electrification Administration, created to finance cooperative electric power and telephone companies in farming areas.

The Rural Electrification Administration was established in 1936 as an independent agency and was incorporated into the Agriculture Department in 1939 by a reorganization plan proposed by President Roosevelt. Congress, in 1953, approved President Eisenhower's reorganization plan based on Hoover Commission recommendations, giving the Secretary of Agriculture complete authority and responsibility over subordinate agencies in his Department, including the REA.

The bill, as passed, amends both reorganization plans and prevents the Secretary of Agriculture from exercising any authority over the granting or denial of REA loans.

As one of the managers of floor debate, I urged the House to reject this measure on the ground that it violated sound principles of administration and good government and that no case had been made to warrant a change in existing law, and I said:

"I appeal to my colleagues not to embark on the dangerous course of creating autonomous little kingdoms in the executive branch of the Government. If the cooperative association lobby succeeds in this movement to place REA outside the channels of control of the administration of the executive branch, what will come next? The Corps of Engineers, the Bureau of Reclamation? What other bureaus having functions of interest to a particular segment of our population will seek to free themselves from supervision and control of Cabinet officers?"

"It is perfectly obvious that if the precedent established today encourages a widespread movement toward dispersal and fragmentation of Government functions, the executive branch of the Government must become an unmanageable hodgepodge of sovereign, autonomous bureaucracies. Congress will find its control weakened to the point of disappearance."

The bill now goes to the President. I have urged him to veto it, which I believe he will.

Sincerely,

GEORGE MEADER.

Mr. Speaker, I received a great many replies from constituents commending me upon the position I had taken, one of which was from Mr. Fred R. Harris, president of the Southern Telephone Co., of Brooklyn, Mich., in my congressional district, whose company has received substantial financing from the Rural Electrification Administration. Mr. Harris expressed the hope that the President would veto the legislation and because of his long experience with REA financing, I believe his comments will be of interest to my colleagues.

I am, therefore, incorporating the text of his letter at this point in my remarks:

SOUTHERN TELEPHONE Co.,  
Brooklyn, Mich., April 22, 1959.

Mr. GEORGE MEADER,  
Member, House of Representatives,  
Second Michigan District,  
Washington, D.C.

DEAR CONGRESSMAN MEADER: I have your letter of April 20, 1959 with reference to your position on the bill to strip the Department of Agriculture of authority over loans by the Rural Electrification Administration.

The writer, as engineer-contractor, built the first REA financed Electric Cooperative in Michigan. This was, and is, the South-eastern Michigan Electric Coop. with headquarters in Adrian. We performed this work in 1937.

The REA was incorporated into the Department of Agriculture in 1939 because it was felt by the cooperatives that the Department would be of material aid in obtaining larger appropriations from Congress.

Our organization built the first REA financed telephone rehabilitation project in Michigan in 1952. This was for the Peninsula Telephone Co. located on Old Mission Peninsula north of Traverse City. There are no telephone cooperatives in Michigan. There are 13 privately owned rural telephone companies in Michigan that are borrowers from REA.

I disposed of my interests in our engineering and construction organization (The

Harris-McBurney Co.) 3 years ago. Since then I have become interested in the rehabilitation, modernization, and expansion of rural telephony in Southern Michigan. The Southern Telephone Co., of which I am president, is the result of the consolidation into one organization of the following old switchboard associations—Brooklyn, Cement City, Summer Center, North Adams, Jerome, and Moscow. We are now engaged in taking over Hanover and Horton. The day of the small telephone company has passed. Modern telephony requires a size sufficiently large to support experienced management, trained technicians, and proper accounting. My experience leads me to believe that this cannot be done economically with much less than 2,000 customers. Upon the completion of our program, we will have obtained from REA approximately one and one-quarter million dollars and will be giving modern dial telephone service to approximately 3,500 rural establishments in Southern Michigan.

We have borrowed this money from the U.S. Government at 2 percent. It is my firm belief that we could have accomplished all that we have should the interest rates have been 3½ percent without materially affecting our rate structure.

During the past 2 years I have been approached by financial people from both New York and Chicago with offers to furnish funds in the millions, for the purchase of small rural telephone companies to be modernized with REA loans. They may have gotten someone else.

I sincerely hope the President will veto the bill which would release the REA from the control of the Department of Agriculture and also that REA will not make loans at interest rates less than the cost of money to the Government.

Sincerely yours,

FRED R. HARRIS,  
Chief Engineer, Michigan Public Utilities  
Commission; President, League of  
Michigan Municipalities; Member,  
Telephone Advisory Committee, U.S.  
Department of Agriculture.

Mr. Speaker, I sincerely hope the House will sustain the President's veto of this ill-advised step in the direction of disorganization of Government agencies. It would establish a bad precedent contrary to sound principles of administration and good government. It should not become law.

Mr. McGOVERN. Mr. Speaker, it is my earnest hope that the House will follow the commendable action of the other body and vote to override the President's veto of the REA bill.

As one of the cosponsors of this legislation, I regard this vote today as one directly related to the welfare of rural America.

I was greatly disturbed 3 years ago when the President vetoed the 90-percent price-support bill for agriculture. I was disappointed again last year when he vetoed our price freeze legislation. I do hope that this time we can be successful in overriding what I am sincerely convinced is an ill-advised veto.

Mr. FASCELL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.



The question was taken; and there were—yeas 280, nays 146, not voting 7, as follows:

[Roll No. 34]  
YEAS—280

Abbott	Garmatz	Morrison
Abernethy	Gary	Moss
Addonizio	Gathings	Moulder
Albert	George	Multer
Alexander	Glaimo	Murphy
Alford	Granahan	Murray
Andersen	Grant	Natcher
Minn.	Gray	Nix
Anderson,	Green, Oreg.	Norrell
Mont.	Green, Pa.	O'Brien, Ill.
Andrews	Griffiths	O'Brien, N.Y.
Anfuso	Gross	O'Hara, Ill.
Ashley	Hagen	O'Hara, Mich.
Ashmore	Haley	O'Konski
Aspinall	Hall	O'Neill
Bailey	Hardy	Oliver
Barden	Hargis	Passman
Baring	Harmon	Patman
Barrett	Harris	Perkins
Bass, Tenn.	Harrison	Pfost
Beckworth	Hays	Philbin
Bennett, Fla.	Healey	Pilcher
Berry	Hébert	Poage
Blatnik	Hechler	Porter
Blicht	Hemphill	Powell
Boggs	Herlong	Preston
Boland	Hogan	Price
Bolling	Hollifield	Prokop
Bonner	Holland	Pucinski
Bowles	Holtzman	Quigley
Boykin	Horan	Rabaut
Boyle	Huddleston	Rains
Brademas	Hull	Randall
Breeding	Ikard	Reuss
Brewster	Irwin	Rhodes, Pa.
Brock	Jarman	Riley
Brooks, La.	Jennings	Rivers, Alaska
Brooks, Tex.	Johnson, Calif.	Roberts
Brown, Ga.	Johnson, Colo.	Rogers, Colo.
Brown, Mo.	Johnson, Md.	Rogers, Fla.
Buckley	Johnson, Wis.	Rogers, Tex.
Burdick	Jones, Ala.	Rooney
Burke, Ky.	Jones, Mo.	Roosevelt
Burke, Mass.	Karsten	Rostenkowski
Burleson	Karth	Roush
Byrne, Pa.	Kasem	Rutherford
Cannon	Kastenmeter	Santangelo
Carnahan	Kee	Saund
Carter	Kelly	Scott
Casey	Keogh	Seiden
Celler	Kilday	Shelley
Chelf	Kligore	Sheppard
Clark	King, Calif.	Shipley
Coad	Kirwan	Sikes
Coffin	Kitchin	Sisk
Cohelan	Kluczynski	Slack
Colmer	Kowalski	Smith, Iowa
Cook	Landrum	Smith, Miss.
Cooley	Lane	Smith, Va.
Daddario	Langen	Spence
Daniels	Lankford	Staggers
Davis, Ga.	Lennon	Steed
Davis, Tenn.	Lesinski	Stratton
Dawson	Levering	Stubblefield
Delaney	Libonati	Sullivan
Dent	Loser	Teague, Tex.
Denton	McCormack	Teller
Dingell	McDowell	Thomas
Dollinger	McFall	Thompson, La.
Donohue	McGinley	Thompson, N.J.
Dowdy	McGovern	Thompson, Tex.
Downing	McMillan	Thornberry
Doyle	Macdonald	Toll
Dulski	Machrowicz	Trimble
Durham	Mack, Ill.	Tuck
Edmondson	Madden	Udall
Elliott	Magnuson	Ullman
Everett	Mahon	Vanik
Evins	Marshall	Vinson
Fallon	Matthews	Walter
Farbstein	Metcalf	Wampler
Fascell	Meyer	Watts
Feighan	Miller	Whitener
Fisher	Clement W.	Whitten
Flood	Miller,	Wier
Flynn	George P.	Williams
Flynt	Mills	Willis
Fogarty	Mitchell	Winstead
Foley	Moeller	Wolf
Forand	Monagan	Wright
Forrester	Montoya	Yates
Fountain	Morgan	Young
Frazier	Moorhead	Zablocki
Friedel	Morris, N. Mex.	Zelenko
Gallagher	Morris, Okla.	

## NAYS—146

Adair	Dorn, S.C.	Milliken
Alger	Dwyer	Minshall
Allen	Fenton	Moore
Arends	Fino	Mumma
Auchincloss	Ford	Nelsen
Avery	Frelinghuysen	Norblad
Ayres	Fulton	Osmers
Baker	Gavin	Ostertag
Baldwin	Glenn	Pelly
Barr	Griffin	Pillion
Barry	Gubser	Pirnie
Bass, N.H.	Halleck	Poff
Bates	Halpern	Quile
Baumhart	Henderson	Ray
Becker	Hess	Reece, Tenn.
Bennett, Mich.	Hiestand	Rees, Kans.
Bentley	Hoeven	Rhodes, Ariz.
Betts	Hoffman, Ill.	Riehlman
Bolton	Hoffman, Mich.	Robison
Bosch	Holt	Rogers, Mass.
Bow	Hosmer	St. George
Bray	Jackson	Saylor
Broomfield	Jensen	Schenck
Brown, Ohio	Johansen	Scherer
Broyhill	Jonas	Schwengel
Budge	Judd	Short
Byrnes, Wis.	Kearns	Siler
Cahill	Keith	Simpson, Ill.
Canfield	Kilburn	Simpson, Pa.
Cederberg	King, Utah	Smith, Calif.
Chamberlain	Knox	Smith, Kans.
Chenoweth	Lafore	Springer
Chiperfield	Laird	Taber
Church	Latta	Taylor
Collier	Lindsay	Teague, Calif.
Conte	Lipscomb	Thomson, Wyo.
Corbett	McCulloch	Tollefson
Cramer	McDonough	Utt
Cunningham	McIntire	Van Pelt
Curtin	McSween	Van Zandt
Curtis, Mass.	Mack, Wash.	Wainwright
Curtis, Mo.	Mailliard	Wallhauser
Dague	Martin	Weis
Derounian	Mason	Wharton
Derwinski	May	Widnall
Dervine	Meader	Wilson
Dixon	Merrow	Withrow
Dooley	Michel	Younger
Dorn, N.Y.	Miller, N.Y.	

## NOT VOTING—7

Belcher	Rivers, S.C.	Weaver
Bush	Rodino	Westland
Diggs		

So, two-thirds not having voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The Clerk announced the following pairs:

Mr. Weaver and Mr. Rodino, for, with Mr. Bush against.

Mr. Rivers of South Carolina and Mr. Diggs for, with Mr. Westland against.

The SPEAKER. On this vote the yeas are 280, and the nays are 146.

Two-thirds not having voted in the affirmative, the bill is rejected and the message and bill are referred to the Committee on Government Operations and ordered to be printed.

The Clerk will notify the Senate of the action of the House.

#### DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1960

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6769) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1960, and for other purposes; and, pending that motion, Mr. Speaker, I ask unanimous consent that

general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Wisconsin [Mr. LAIRD], and myself.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6769, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FOGARTY. Mr. Chairman, it is my privilege again for the ninth time in 13 years as chairman of this committee to bring to the House the annual appropriation request for the Departments of Labor, and Health, Education, and Welfare.

First, I would like to express my appreciation to the members of our subcommittee. This has been a long year with regard to hearings. The testimony we received covered over 600 pages more than we had last year, and the attendance of the subcommittee was on a par with any subcommittee that I have served on. I especially want to thank the Member on the Democratic side, the gentleman from Indiana [Mr. DENTON], for the able support and cooperation that he has given our committee and because of his knowledge of the programs for which we have the responsibility of appropriating funds. This applies also to the gentleman from Minnesota [Mr. MARSHALL], without whose help I do not know how we could get along, because he certainly has been a tower of strength on this committee. Then, too, on the Republican side, the gentleman from Wisconsin [Mr. LAIRD] has been with us now for some time, and I certainly appreciate the cooperation that he has given to me as chairman and his attendance and his willingness to sit during long hours and long days of hearings. He has done a really good job for his side of the aisle.

This year we had a new member, the gentleman from Michigan [Mr. CEDERBERG], and I also want to say that we appreciate his support and cooperation and the wonderful job that he is doing on this committee. Then, of course, no committee can get along without a good clerk, and I think I can say without fear of contradiction that we have the best clerk of the Committee on Appropriations on this particular subcommittee, Robert Moyer. He has been doing a wonderful job. He is fair to all. He is familiar with all the programs, and he keeps us right on the ball and lets us know whether something is right or wrong and keeps us on our toes. So, we have a very good committee, and I think we have an excellent report. I hope that every Member of the House will take the time to read it.

Mr. Chairman, in the time available to me I would like to go down the recommended appropriations for 1960 as compared with 1959. The total we are recommending for 1960 is \$3,915,084,000. This figure compares with \$3,862,029,000 in 1959, and with the estimates that were given by the agencies appearing before us of \$3,756,848,000. In other words, we are asking the Congress to appropriate this year \$53 million more than it did in 1959 and \$158,235,000 more than the Budget Bureau requested the Congress to appropriate.

We have a few changes in the Department of Labor. I will go down those briefly. The committee reduced the Secretary's office of the Department of Labor \$10,000. We cut the Bureau of Labor Standards \$192,000. Grants to States, under the Bureau of Employment Security were reduced \$12,865,000, and grants to States for unemployment compensation for veterans and Federal employees, \$10 million on the basis of the recent estimates of the Department of Labor as to the prospective improvement in the employment situation in the latter part of this calendar year.

We reduced the request for the Bureau of Labor Statistics \$45,500, which makes a total reduction of \$23,112,500 for the Department of Labor.

For the Department of Health, Education, and Welfare we have increased the amount for the Food and Drug Administration for salaries and expenses by \$2 million. I think many of the Members will remember that just a few years ago, when Mrs. Hobby was Secretary of the Department of Health, Education, and Welfare, she appointed a special Citizens Committee to review the activities of the Food and Drug Administration and report back as to what should be done to improve this important program. We have allowed \$13,800,000, an increase of \$2 million over the budget. This is just a little bit less than the report the Citizens Committee would indicate ought to be expended in 1960.

The progress in technology has presented problems in the growing, manufacture, processing, and distribution of our food supply unheard of only a few years ago. One of the outstanding examples is the extensive use of pesticides in crop production. Residues remaining on crops at the time of harvest are a major problem.

Today, radioactivity is getting into the food supply of the Nation, yet FDA does not have the facilities to determine the extent of the problem let alone establish the safe tolerances levels which it is required by law to issue. Today, there is serious question about the safety of waxes used to coat cardboard milk containers. Some scientists believe that they may contain cancer-producing chemicals but FDA does not have the funds or facilities to determine whether this disturbing suspicion is fact. Today, nutritionists seriously question the safety of fats that are heated and reheated in the french frying of foods. They are believed to cause serious nutritional disturbances. FDA has not the facilities to determine whether these widely used substances actually present a threat to

the health of the Nation. Today, extremely potent drugs used to treat arthritis and related diseases are being used in tremendous quantity on sick people throughout the Nation. They are recognized by doctors as having an extreme possibility for harm if given in too great a dosage. Adequate methods for analyses of these drugs are not available and FDA does not have the necessary funds to develop these methods which are essential for protection of the public health.

Many on our committee think the report of Mrs. Hobby's citizens committee is outdated because of the things I have mentioned, new activities that have been added by law to the Food and Drug Administration, the increase in products on the market, and the increase in the number of establishments subject to the act, but at least this \$2 million increase will allow them some expansion and will allow them to do a considerably better job than would have been possible under the budget.

For Gallaudet College we have allowed \$162,000 over the request. This is, as you know, the only college for the deaf in the country. We started a building program 2 or 3 years ago. I am sorry to say that we have not been able to give them more of an increase and allow funds for two or three buildings for which plans have been drawn. We ought to be building at this time. However, this increase will put them in a little better situation than they would have been under the budget.

For the Office of Education we have added \$1,100,000 to the vocational education program for the training of practical nurses. That would bring this amount up to the \$4 million that they had in 1959.

For grants for library services we have restored a cut of \$850,000, which will bring that item up to \$6 million, the same amount that they had available in 1959.

The budget recommendation of \$5,150,000 was a 14-percent decrease from the \$6 million appropriated by the Congress for the current fiscal period. The unobligated funds do not make up the difference. All funds appropriated under the Library Services Act are allocated to the States even though a State does not use its full allotment. These allocations remain available to specific States for 1 succeeding fiscal year unless the State certifies that it will not be using its funds. No States have certified they will release any funds for redistribution in fiscal 1960.

Furthermore, Delaware and Wyoming are planning to enter the program in July of this year and will be requesting their allotments for fiscal 1959 which are included in this balance.

Under the budget at least 37 States would have less money in 1960 than in fiscal 1959. For instance, Ohio would have \$26,000 less in fiscal 1960, Wisconsin would be cut by \$12,000, California's loss would be \$31,000, Mississippi would have \$24,000 less and Minnesota would be cut by \$21,000 to mention a few. The difference between allocations under the present \$6 million appropriation and

allocations under \$5,150,000 would amount to an average loss of about \$20,000 for each of these States.

This reduction in Federal funds would mean that these States would not be able to initiate new projects, the towns and villages which have been planning and looking forward to having library service in 1960 and have already taken necessary legal action to provide necessary matching funds would be denied this opportunity. Every State already has more applications for library extension projects than it has local, State and Federal funds to carry out the plans.

There are still approximately 25 million people in rural areas without any public library service and another 50 million with only inadequate public library service.

The next change is in for payments to school districts and school construction under Public Law 874, and Public Law 815. Under these laws we provide funds for the maintenance and operation of schools in federally impacted areas and for the construction of schools in these federally impacted areas. We allowed 100 percent of what these school districts are entitled to under the law. We restored the 15 percent cut that was made by the Bureau of the Budget. The increase for payments to school districts was \$21,657,000, and for school construction \$22,635,000, above the request.

The Office of Education has told our committee that this will allow these districts that are eligible under the formula set up by the law to get the full 100 percent they are entitled to.

The budget justification submitted for the school construction program showed that federally impacted school districts would have an increase of 57,000 federally connected children who need to be provided with school facilities, and that more than \$61 million is needed to pay the eligible districts the Federal share of this construction cost, but the budget requested appropriation of only \$38.5 million.

When funds appropriated under Public Law 815 are not enough to pay the requirements of eligible districts, the funds available are given to the high priority cases. What justification is there for the Federal Government to say to some 63 percent of the eligible school districts "you can have all you are entitled to under the act," and say to the remaining 37 percent "you get nothing." "You don't get any help even though 7,400 of the children new in your school districts for whom you must build school facilities live on nontaxable Federal property." That will be the result if we appropriate only the amount requested by the Department.

It must be remembered that a school district is not eligible for Federal construction funds unless it has a substantial increase in the number of federally connected children and no school facilities to house this increase. Thus, if the full amount needed is not appropriated, hundreds of school districts will be unable to build the additional school buildings required for this increase. The result will be more overcrowding, double

sessions, and temporary or makeshift arrangements for federally connected children in these areas where our most important defense and other Federal projects are located. The federally impacted areas already have an abnormal increase in non-Federal children and their facilities and resources are strained to the limit. They cannot build the required schools without Federal help.

Then regarding the appropriation for payments to school districts under Public Law 874.

The justification submitted by the Department showed that approximately 4,000 school districts would be eligible during the 1960 fiscal year for entitlements amounting to approximately \$164 million. The administration requested that \$142,300,000 be appropriated which is sufficient to pay only 85 percent of each district's entitlement.

There are hundreds of school districts in the Nation that are accepting responsibility for providing free public education for children that live on Federal property and for which they receive no local taxes for the support of schools. The greatest worry of local school districts who are accepting this responsibility is that the appropriations made under Public Law 874 will not permit payment of 100 percent of the funds to which they are entitled. If the full appropriations are not made, many of these school districts will not be able to supply the additional 15 percent of the funds required for free public education during the year.

If these districts cannot get even the local share of the cost of educating these children who live on Federal property and for whom they receive no local school taxes, they will say to the Federal Government, "You educate them under section 6 of the act and pay the full cost of their education." The failure to appropriate the full amount of the entitlements to these districts may well result in a greater cost to the Federal Government and, in addition, could create a system of Federal education throughout the country for children who live on Federal property.

Grants for waste treatment works construction was cut back in the executive budget, by \$25 million. Because of the testimony we had before our committee, we restored that cut of \$25 million. We are allowing \$45 million for 1960, which is the exact amount appropriated for 1959.

Last year sewage treatment construction for cities totaled a record high of \$400 million—up from \$200 million annual average for the years 1950–55. Federal grants were about 10 percent of the total cost. These Federal grants were the major factors in accelerating State and local actions on pollution abatement. This is no time to disrupt this essential work.

The growing pollution problem requires a construction level for city sewage works of \$500 million a year. We are now approaching this level. A cut-back to \$20 million would certainly reverse this upward trend.

The matter of water pollution control is not a question of desirability but one of necessity to conserve our water resources to support our economic growth. From the standpoint of public health more than 100 million people get their drinking water from these polluted streams.

Everybody agrees we must build these sewage treatment plants. The record shows that the grants are stimulating construction. We must restore the \$25-million cut proposed in the President's budget to sustain this progress. There are more than 1,000 grant applications pending. Construction of essential sewage treatment works is a must and the longer we delay in building these plants, the greater will be the cost.

For Indian health activities we have increased the budget request by \$2 million and the item, "Construction of Indian Health Facilities" by \$1,500,000.

We have on our committee one of the outstanding experts in this field the gentleman from Minnesota [Mr. MARSHALL], who has been paying particular attention to the program dealing with the health problems of the Indians in our country. He has taken the time to go out and visit these reservations and upon his recommendation we have added amounts which will continue the progress in providing better health facilities and better health services for the Indians of our country.

We increased the request for hospital construction by \$42,500,000 from \$101,200,000 to \$143,700,000. The Executive budget cut this program \$85 million and we restored 50 percent of the cut. This is the old Hill-Burton program, which I think is one of the most popular programs in the Federal Government. The recommendation in the bill is still \$42,500,000 less than they had available in 1959. But, it is a compromise the committee agreed on and one that I will support as chairman of this subcommittee.

Assuming that the States follow the same pattern of project planning in 1960 as in the past, the \$100 million in construction grant funds requested for 1960 would produce approximately 15,050 hospital and nursing home beds. Approximately 25,400 beds will be built outside the Hill-Burton program or a total of 40,450 beds.

Population increases and the replacement of hospital beds which become obsolete each year require approximately 58,650 beds each year. This is 18,200 beds in excess of the expected bed production that would result from the \$100 million included in the President's budget and construction outside the program, but only 11,000 in excess of the beds which will be produced if the Hill-Burton grant funds are increased to \$142,500,000. Accordingly, the proposed increase is essential if we are to avoid making substantial additions to the considerable backlog of hospital and nursing home beds in this country.

Nursing homes and chronic disease facilities are sorely needed in many areas of this country. A mere beginning has been made in providing beds for the medical and nursing care of our country's aged population. Communities are

reluctant, however, to undertake the construction of long-term care facilities until such time as acute facilities are built up to adequacy.

State Hill-Burton agencies report that if there were no limitation on Federal funds they could, during 1960, approve 847 hospital projects, costing slightly more than \$1 billion, using \$393 million in Federal funds. In addition, they report that 347 projects for nursing homes, rehabilitation centers, chronic disease hospitals, and diagnostic and treatment centers could be approved costing a total of \$189 million using Federal funds amounting to \$76 million. Increasing the grant funds to \$142,500,000 would assure that a number of these communities needing hospitals and other types of facilities would not have to further postpone construction, but it is also clear that much will remain to be done in the future.

Next we come to the National Institutes of Health.

Every Member of Congress, and particularly every member of an Appropriations Committee, knows how often one is torn between the need to provide additional funds for critically important national programs and the need to retain appropriate restraints on Federal spending. This dilemma is particularly acute when the programs affect all instead of just some of the people, and when the programs are intimately identified with the people's hopes and expectations instead of dealing with expedients and abstractions.

In the recent consideration by our committee of the 1960 appropriation request made by the administration on behalf of the Department of Health, Education, and Welfare, it became abundantly clear as the testimony unfolded that arbitrary fiscal ceilings had been imposed on many of its programs without regard for their needs, their merit, or their public support. In other words, the concept of the balanced budget was applied regardless of the public interest.

Nowhere was this more evident than in the requests for the National Institutes of Health.

I want to make my personal position in this matter crystal clear on the record. I believe in the elimination of non-essential Federal spending. I believe that as individuals and as a Nation of interdependent individuals, we should try to live within our income. But I do not believe that we can apply flat, mathematical restrictions to any single item of Federal financing without first considering the effect it has and will have on the lives of the people. And I do not believe we can consider 1 year's appropriation without first considering whether it is an investment with a certain return at compound interest, or merely an expenditure.

All of us make our budgets, of course. But we also make sure that in so doing, we provide adequately for the essentials and cut back on items that are less essential. This makes budgeting a judgmental as well as a mathematical calculation.

Who among us, in making his budget, would say, "This is all I will spend for

the health of my children and my family—I do not care if prices have gone up, I do not care if by increasing my investment this year I can help them be more healthy and productive in years to come—this is all I spent last year, and I will spend exactly the same amount this year, regardless.” Yet this is the slide-rule approach that has been taken by the administration in planning many of its programs for 1960.

THE ADMINISTRATION'S 1960 BUDGET PROPOSALS  
FOR THE NATIONAL INSTITUTES OF HEALTH

Let me illustrate by summarizing what the record shows concerning the appropriation requests for the National Institutes of Health—that part of the U.S. Public Health Service which has the primary Federal responsibility for medical research today and for building the Nation's resources for an even stronger research attack on disease in the years to come. All of us here know that the National Institutes of Health have won a tremendous amount of public and professional support in recent years. We know, too, that such support means three things: First, that these programs meet a need that is widely recognized and accepted; second, that these programs have produced and are producing knowledge that the people can see is paying off in the reduction of disability and the prevention of premature death; and third, that these programs are conducted with scrupulous care so that scientific considerations govern the use of the funds and at the same time the public interest is protected.

Yet, in that part of our committee's work that relates to the appropriation levels for the National Institutes of Health, we were this year confronted with a bewildering and inexplicable set of contradictions.

The President's 1960 budget request for the National Institutes of Health is for the same amount of money that the Congress appropriated last year for these programs—\$294 million. Both the President and the Secretary of Health, Education, and Welfare indicated their own general dissatisfaction with this submission, saying that the matter remained under study and that the results of the study would be made available to the Congress. Starting with the President's budget message in January and continuing through the Secretary's testimony before our Appropriations Committee in March, it has been perfectly evident that the administration did not want to be identified with or committed to its own budget request for medical research. It has also been perfectly evident that the Secretary of Health, Education, and Welfare was trying to persuade the Office of the President that the 1960 appropriation requests for the National Institutes of Health should be amended upward to meet at least some of the glaring deficiencies in the President's budget. But the administration kept the matter open instead of taking a firm position on what these appropriations for medical research should be.

Our committee gave the administration every possible chance to clarify its final position on this matter. We

even interrupted our hearings for a period of 5 weeks because the Secretary told us he needed additional time to prepare and present his views to those who make the fiscal policy for the administration. Finally, in order to avoid disruption of these programs through delay in the appropriations, the committee felt it necessary to resume its hearings and consider the National Institutes of Health appropriations on the basis of their merits and needs.

The record of those hearings speaks for itself and should be read by every Member of Congress. The witnesses for the National Institutes of Health were in an awkward, almost intolerable position. They were called upon to defend an indefensible budget request. Their own conservative estimate of need—both their preliminary estimate in the summer of 1958 and their estimate resubmitted in February of 1959, after months of careful reappraisal—was nearly \$60 million above the President's budget. They knew that the administration was still considering some compromise figure at about half that amount. Yet the budget request they presented and were asked to defend was a “hold the line” figure identical with their 1959 appropriations of \$294 million.

As the hearings progressed, it became abundantly evident to every member of the committee that the President's budget for the National Institutes of Health is not a responsible budget. It is not even a “hold the line” budget, since some \$15 million will be required just for the increased cost of doing the same amount of business in 1960. The executive budget made no provision for such increased costs. Moreover, it cuts another \$10 million from the funds available in 1959 for matching grants to assist in the construction of research facilities—a program to which the medical schools and universities give top priority. Thus the President's budget, defended as a continuation in 1960 of program levels established in 1959, is in fact a \$25 million cutback in terms of the substance of the program it would support.

More important, however, is the fact that a \$294 million budget request for NIH is a repudiation of principles and programs that have been built up consciously as a matter of policy during the past 15 years. During this time, there has been ample evidence of widespread, wholehearted, and enthusiastic support of what these programs stand for—support that is virtually without dissent in a society where the freedom and opportunity for dissent is axiomatic. With Congress in a position of leadership, often in the face of lethargy or even overt opposition from the administration, there has been built up gradually a medical research program of which we as a Nation can justifiably be proud.

I do not want to be part of any action that threatens the stability or effectiveness of these splendid programs—and “threatens” is not too strong a word. The thing the Bureau of the Budget apparently does not recognize or accept is that an essential characteristic of what has been created is stability based on assurance of a normal increment of growth.

We can not let it stand still or go backward.

We have encouraged the training of brilliant young scientists for careers in medical research—a \$60 million program under NIH appropriations alone this year. Are we, then, to deny these scientists the opportunity to do the research for which they are trained?

We have stimulated the construction of modern research facilities—a \$30 million program of NIH this year. Are we, then, to limit their effective use by failing to provide funds for the research projects to be carried out in these new facilities?

We have helped create a comprehensive pattern for the support of high quality medical research in non-Federal institutions—a program which this year provides funds for some 8,000 research projects. Are we going to say to these scientists and scientific institutions, by our action, that their support this year may be reduced or terminated next year—that Federal funds are uncertain and unstable—that they are unwise if they count on research grants from the Government as part of their individual and institutional long-range plans?

The responsiveness and stimulus of Congress have been instrumental in bringing into being the NIH's own splendid facilities and productive program at Bethesda, Md. Are we now to say to these laboratory investigators and clinical investigators that they must pay for the increased cost of living and of working in a research environment by eliminating certain of their own research projects?

These are some of the reactions I have to the \$294 million budget, which I feel to be completely inadequate. If it were to be even seriously considered, it would have an unfortunate impact on the whole of medical science, since it would show lack of confidence on our part and would inevitably raise the question of whether Congress might not withdraw even further from its established responsibilities to the scientists and scientific institutions participating in this program.

DISCUSSION OF MORE ADEQUATE PROPOSALS FOR  
NIH APPROPRIATIONS

Since the budget request before the committee was essentially useless and evidently unrelated to any reasonable 1960 appropriation action by the Congress, we elected to give our primary attention to the substance of the program contained in a set of figures that we caused the witnesses to enter into the record, representing what the National Institutes of Health officials themselves thought should be their 1960 appropriation.

We felt we had to get these facts if we were to make a sound recommendation to the full committee and to the House of Representatives.

The record provides convincing evidence that a \$351 million proposal made by the Public Health Service to the Secretary this February, after months of study, was a conservative figure. One can understand how this might be when he thinks of the circumstances under which it was evolved. Speaking personally, I am always reassured when I

find that budget requests to Congress are characterized by conservative estimates.

The \$351 million proposal, however, which was not accepted by the administration, would permit these programs to move ahead instead of being cut back. It would provide funds to finance grant applications from promising new investigators with new ideas and to extend support to areas of emerging research need. It would permit more emphasis to be given to training for research and academic careers in the basic sciences as well as critical shortage areas in clinical research fields. It would enable the NIH scientists at Bethesda to carry out plans for qualitative strengthening of research and better use of facilities, including occupancy of the new Biologics Standards Building that is now nearing completion. And it would permit modest extension of efforts to apply research knowledge in certain control, demonstration, and technical assistance programs.

I cannot, myself, understand why the administration was unwilling to accept these conservative proposals. Year after year the Congress, the American people and the professional world have stated their conviction that these programs should move forward, and have demonstrated their conviction in action. It is hard to believe that the administration has not yet received the message.

One wonders what has become of the forthright administration policy of several years ago, which in essence said that no sound research project involving a fully trained investigator in a suitable research environment should go unsupported for lack of funds.

One also wonders if the administration has heeded in any major respect the advice and recommendations of the group of distinguished consultants headed by Dr. Bayne-Jones, whose advice—under any interpretation—was to move ahead with affirmative leadership in this field of medical research.

I know of no year in my many years of experience on this subcommittee when the members have found themselves to be in such accord on [these] appropriation items. We were in unanimous agreement that substantial increases would have to be made above the President's 1960 budget request for the National Institutes of Health. And I would like [again], as one who feels it a great privilege to chair this subcommittee, to acknowledge and pay tribute to my distinguished colleagues—Congressmen DENTON of Indiana, MARSHALL of Minnesota, LAIRD of Wisconsin, and CEDERBERG of Michigan—who have devoted a tremendous amount of time and attention to the work of this committee. The people of the United States are fortunate indeed to have their interests represented by men of such vision and integrity.

It was only after we had completed our action and prepared our report to the full Committee on Appropriations that I received a communication from the Secretary of Health, Education, and Welfare telling me that the administration has decided not to amend its budget request for medical research and related

activities under appropriations to the National Institutes of Health.

It is interesting to note that although this was the decision, the letter also states that the Secretary regards the field of medical research "as of very high priority and deserving of broad and increasing national support."

Our Committee on Labor and HEW Appropriations agrees with the Secretary on this latter point. And I am pleased to say that the full Committee on Appropriations concurred with our recommendation to provide such increasing support.

#### MEDICAL RESEARCH AND THE PEOPLE'S HEALTH

My discussion up until this point has been focused on dollar levels for the support of medical research through the programs and activities of the National Institutes of Health. This is understandable, not so much because we are an appropriations committee, but because there has been so much fiscal uncertainty associated with the administration's request.

But I never forget, and I know you, my colleagues, can never forget, that these dollars are invested rather than spent. They are invested in the better health of more people, now and in years to come.

Scientists like to say that we can't buy results in a literal sense. In a literal sense, I agree with them. And I recognize the inadvisability of bringing that kind of pressure to bear on the scientific world.

I do know, however, from our experience of the recent past, that we can buy results in a more general sense. We can do this by just what we have been doing—by helping make it possible for more and more scientists to carry out studies in their chosen field, by fostering a total creative research environment, and by strengthening the Nation's resources for medical research in the future.

The product of such an effort we can see all around us and—in many instances—experience for ourselves. This child is born free of defects associated with childbirth. This youngster can have a hole in his heart chamber repaired. This man can live comfortably and productively with high blood pressure. This woman had cervical cancer diagnosed early and was cured. This child escaped damage to his heart because rheumatic fever was prevented. This young man has been cured of his epilepsy by brain surgery. This elderly lady can live comfortably with her arthritis. This man lost a lung in his fight against cancer, but his life was spared. This baby, born prematurely might have been blind, but because of medical research her eyes are perfect.

There are so many such benefits from health research all around us that they are too often taken for granted. We must never forget that they are derived from study—from the opportunity given scientists to satisfy their endless curiosity to know more about man, man's health, and man's disease. And we must never forget that a few short years ago, most of the advances now taken for

granted would have been considered miracles.

There are other, even greater, miracles ahead. We cannot know what they are, in specific terms, nor when they will be revealed.

There was a time, long since, when I was among those who gave support to medical research on the basis of faith. Now, my support is a matter of conviction. I know that somewhere, perhaps just around the corner, perhaps at or near the horizon, there are answers to questions that need to be answered if people are to be free of doubts and fears about their health, and free of the terrible and all-too-frequent realization of those doubts and fears in the form of tragic disablement or premature death. I feel that in no small measure, man's ability to cope with the baffling issues of an ever more complex and challenging set of social and political forces is dependent upon his ability to face those issues with complete physical and emotional well being.

I, for one, am unwilling to be a factor in any process that, on the basis of short-sighted fiscal expediency, will delay sustained progress toward the goal of better health.

#### THE ISSUE OF STABILITY AND GROWTH IN MEDICAL RESEARCH

In a very real sense, we are today at a turning point in the acceptance of our Federal share in the responsibility for medical research.

Ever since World War II, we have been building a solid foundation for medical research in this country. No one part of our society has been alone in this undertaking. For the building process has been carried out in a truly American tradition. Industry, voluntary health agencies, foundations, State and local sources, private and public agencies of all kinds have taken part. Underlying the whole effort has been the sense of urgency and purpose of the American people.

One part of the structure that is being created—a major part—is the medical research done as a result of the appropriations to the National Institutes of Health. The funds we make available for its programs constitute more than two-thirds of the Federal Government's total support for medical research and more than one-third of America's total investment in medical research. Thus the final action of Congress on these appropriations has a tremendous impact on what we are doing as a Nation to protect the people's health.

We have a good plan and a sound foundation. The question is, are we ready to build? For anyone whose ear is attuned to what the people want and expect, there can be only one answer to that question.

How fast shall we build? My answer to that is that we should build as fast as is consistent with sound construction practices, according to the consensus of the judgments of professional experts. But I want us to build. I do not want us merely to stand and observe the foundation and think about what a fine building may be constructed there—some day.

What are we building for? The people answer that question with questions of their own:

Can we find a way to prevent mental retardation and the other diseases and deformities associated with the period before and during the birth process?

Can some way be found to prevent cancer, as by a vaccine? If not, can we find better ways to diagnose cancer early, and better ways to treat it?

Can we, by diet or some other means, find a way to prevent the occurrence of heart attacks?

Can we find better ways to treat mental illness? And—even more important—can we learn to understand what causes severe mental disturbance and thus be better able to prevent it?

It is worth noting that although people tend to be most intensely interested in the particular disease or condition from which they or their loved ones suffer, they are deeply concerned with progress in all fields. There are few ways in which man more clearly demonstrates his basic humanity.

#### A REASONABLE STEP FORWARD IN 1960

The records of the House of Representatives will show that I have been continuously identified with health and medical research appropriations since World War II. For about half of that time, I have served as chairman of the committee with responsibility for these and other programs in the education and welfare fields.

During this time, my stand as an individual on the question of medical research, as on all matters that come before the committee, has been conservative and realistic and practical. My position has been that medical research must move forward to new frontiers, but that there must be ample evidence that the funds provided are not wasted or used for purposes other than those for which they are appropriated. I take a great deal of pride in the fact that my emphasis has been on determination of how funds can effectively be used, not just on how they can be used.

During this time, I have acquired a deep respect for the judgment and integrity of the officials at the National Institutes of Health and a sincere admiration for the programs and mechanisms they have developed for providing funds to medical schools, universities, hospitals, and other research institutions. In this process, a great deal of attention is given to the quality of the research to be supported. And twice in the last 5 years sizable amounts of money have been returned to the Treasury at the end of the year instead of being expended for projects of whose excellence the scientists could not be absolutely certain.

I have found, too—in part because of their basic conservatism, and in part because of the varying but almost always severe restraints placed on them by the administration in the budget formulation process—that the NIH officials usually come before the Congress with an appropriation request that is significantly below the true needs of the scientists and research institutions for sup-

port of projects of outstanding quality and promise. Thus in every year but one in the past decade, the final action of the Congress has been to increase the appropriation request made by the administration for the National Institutes of Health.

As we look at 1960, it seems perfectly evident that we will again be required to follow this pattern if we are to act in the public interest.

Speaking for our committee, I therefore propose that we set aside the President's 1960 budget for the National Institutes of Health as the empty gesture that it is, and that we appropriate a total of \$344 million for these vitally important medical research activities. If we do this, we will be making available approximately the amount of the NIH's own conservative estimate of need. Actually it is approximately \$7 million more than this estimate for research and training, since the NIH estimate included \$14 million for increased allowance for indirect costs which the committee has not allowed.

In addition to the increases proposed for research, research training, and related activities, we propose restoration of the \$10 million cut in the President's budget from funds authorized for matching grants to assist in the construction of health research facilities. This program, which is also administered by the National Institutes of Health, has been at a level of \$30 million for several years. I know from firsthand observation that it is a most effective program that meets one of the pressing needs of the medical schools and other research institutions as they seek to meet their growing responsibilities in future years. I simply cannot comprehend why the administration would seek to cut this program back by one-third, unless it was just another part of the effort to make the President's 1960 budget appear temporarily balanced at the time of its transmission to Congress in January. I urge continuation of this program in 1960 at its authorized and its present operating level.

H.R. 6769 provides that additional funds totaling \$50 million, exclusive of construction, be made available for the heart, cancer, mental health, and other research programs of the National Institutes of Health. The committee, in its report, expresses full confidence that the additional funds within each appropriation will be distributed wisely and used effectively. It is assumed that, in general, the distribution will be similar to that established in recent years, in which some 80 percent of each appropriation is invested in non-Federal institutions—in medical research and in research training carried out in medical schools, universities, hospitals, and other research and educational centers. The committee also expects a small portion of the increase to be used to strengthen the Public Health Service's own medical research activities at Bethesda, to extend the application of research knowledge in fields of special promise, and to maintain and extend the scientific review processes which are a primary reason for the tremendous amount of pro-

fessional as well as public support that these programs have won.

#### MEDICAL RESEARCH PROVIDES ECONOMIC AS WELL AS HUMANITARIAN BENEFITS

For those of my friends and colleagues who are concerned with the rising inflationary spiral, as I am; and who are sincerely convinced that the Federal Government must exercise the greatest of economy in the use of tax funds, as I do; and who are reluctant to see the Federal expenditure exceed the Federal income in 1960, as I am—I would point out that investment in medical research is not inflationary with respect to its impact on the national economy.

In the first place, medical research results in a decrease in expenditures for the care and treatment of diseases which cause a serious drain on our national economy. Moreover, as the results of medical research are applied in medical and public health practice, there is an increase in the productivity of our working force and of our Nation as a whole. Thus expenditures for medical research pay the kind of dividends that can be realized by few other long-term investments.

All of us know that it is standard industrial practice to reinvest up to 10 percent of profit in research. Certainly this does not contribute to inflation. Here, our investment is in life itself. And the cost is small as compared with the economic benefits that the Nation receives. One disease alone—mental illness—costs the Nation more than a billion dollars a year just for care and hospitalization. This year, our total national investment in all fields of medical research is only about half of that.

It is not possible to prove this out on a profit and loss sheet. But if we assume—and it is a straightforward and fair assumption—that anything that constitutes a drain on our national economy without providing something in return damages the economy itself, then it is perfectly clear that illness and premature death adversely affect the economy. How can we reduce this adverse effect? By reducing the incidence and prevalence of disease. How can we accomplish this? By using today's knowledge better, to be sure—by making the best medical care services available to more of our people. But we also need to know more about how to prevent and control disease, and this is the knowledge that medical research has given us in abundant measure in the past and will provide even more abundantly in the future.

I have seen estimates that the 400,000 people who die from arteriosclerosis—one-third of them in the most productive age group—represent an annual loss of income of some \$600 million and an annual Federal income tax loss of about \$75 million.

Of the more than 4½ million Americans with high blood pressure, the economic burden from the high rate of disability is staggering.

During World War II, rheumatic fever alone immobilized more than 40,000 men in the Armed Forces at a total cost to the Government of \$640 million. At least a million Americans today have had or

will have an attack of rheumatic fever, and half of these will be left with residual heart damage.

Respiratory diseases represent a cost in billions to industry through absenteeism and reduced productivity. During only a 4-month period last year, there were 63 million new cases of respiratory illness involving at least 1 day in bed.

It has been estimated that there are over 100 million days of disability each year among those who suffer from allergic diseases.

If the Nation's sufferers from intestinal disorders can be saved only one day of sickness a year, the tax gain to the Treasury will pay for the current level of research in this field for the next 8 years.

The 700,000 cases of cancer under treatment at any given time run up an annual hospital bill of \$300 million. The total economic burden of cancer on the Nation is some \$12 billion a year.

Although 90 percent of those suffering with epilepsy have normal or nearly average mentality, many have been placed in State institutions at an approximate annual cost of \$35 million. A conservative estimate of the cost of epilepsy to the Nation is probably more than \$80 million a year.

These are just samples of the economic burden of illness.

When we look at the other side of the coin—the progress that has taken place leading to a reduction of such intolerable economic burdens—we find the record dramatic and convincing. The ability to diagnose and treat some forms of cancer; means for keeping diabetes under control; improvements in the treatment of schizophrenia; better management of arteriosclerosis and hypertension; significant improvements in all forms of surgery; preventive measures for many of the major infectious diseases; new ways to treat arthritis and rheumatism; marked improvement in tuberculosis therapy; these and literally dozens of other major advances signify millions of dollars saved and the significant reduction of burden on the national economy.

The Nation's investment in medical research seems small indeed compared with the gains of the past and the grave problems of the future on which the attention of medical research is focused.

In sum, my colleagues, I ask you to join in a forthright, eyes open effort to move ahead toward the prevention and control of disease through increased support of medical research.

First, the resources—both manpower and facilities—are available for an expanded effort; moreover, our actions in the past have had no small part in making these resources available.

Second, the confidence of the scientific community would be badly if not irreparably damaged if we were to accept a timid approach which is geared only to political economies and overlooks the public interest.

Third, the people want and expect the Congress to continue to give affirmative leadership in this field, having demonstrated by their words and by their deeds that they consider the search for better

health through research to be a vital and appropriate Federal function.

Fourth, there is ample evidence that advances even more dramatic than those of the recent past are within reach if we but sustain and strengthen our medical research effort.

I do not minimize the importance of \$60 million in terms of the national economy.

On the other hand, when viewed from the point of view of the people's health, and the economic and social burden of illness, disability, and premature death, \$60 million is a small added price to pay indeed for assuring stability, continuity, and forward movement in that part of the national medical research effort which is the responsibility of the Federal Government.

I urge your acceptance and wholehearted endorsement of the committee's proposal to increase the President's 1960 budget request for programs administered by the National Institutes of Health by a total of \$50 million, plus an additional \$10 million for research facilities.

To continue with the other increases and decreases, we did not allow the request of \$150,000 for the construction of animal quarters at Hamilton, Mont.

For the Public Health Service, in total, we have allowed an increase of \$131 million more than the budget request, but \$25 million less than they spent in 1959.

The next change is in the Children's Bureau, where you remember last year under the social security amendments the Congress raised the authorization for grants for maternal and child welfare \$15 million. The budget requested no increase whatsoever. We allowed a small increase of \$3 million over the \$43,500,000 requested in the budget.

The population under 18 years has increased by 26 percent in 8 years, 47 million in 1950 to 59 million in 1956. Hospital costs have increased from about \$17 a day in 1950 to about \$25 in 1956, a 47-percent increase and they continue to rise. Salaries for professional staff have likewise gone up—increasing by about 60 percent for physicians and 75 percent for nurses. These facts point out the impossibility of maintaining even the present level of services with the same Federal appropriations.

The high cost of medical care is resulting in marked increases in patients seeking prenatal care from health departments and resulting in overcrowding in well-baby clinics all over the country. Many clinics report the doctor can spend only 5 to 10 minutes with each baby and mother. We fear that infant mortality which rose last year for the first time in 22 years will continue to go up unless better basic preventive health services can be provided.

Polio is occurring now chiefly among the poorer families, which need to come to the public clinics if they are to be immunized. Unless additional funds are forthcoming it will not be possible to do the job of health education and to provide the Salk vaccine. It is much more costly to try to treat the paralyzed patient.

The mental retardation programs are off to a good start but already the clinics are overcrowded and have waiting lists. Additional funds are necessary to enable more States to start programs and increase the staff of existing clinics so they can take more patients.

The State crippled children's programs are in serious financial difficulties. Many have had to stop hospitalizations this winter except for emergencies. This program is feeling the full impact of the steady rise in costs of hospital and medical care. The newer methods of treatment cost far more than those of 10 or 15 years ago. All of the millions put into medical research cannot benefit the people unless the newer methods of treatment are placed within their reach.

The committee has eliminated the item of \$1,785,000 for grants for social security training and studies.

In the Office of the Secretary, where he asked for an increase of \$180,000, we cut that in half and allowed \$90,000. He asked for an increase of \$31,000 in the transfer from the OASI Trust Fund, and we cut that in half and allowed \$15,500.

For the Office of the General Counsel, an increase of \$58,600 was requested. We have cut that in half and allowed \$29,300 increase over what they had in 1959, but a decrease of \$29,300 from what they asked for. We also reduced by one-half, the increase in transfers of \$17,600 which they requested.

We are very happy to bring this report to you. It is a unanimous report from our subcommittee.

This is one of the most difficult bills to cut that Congress has to deal with, because we are providing funds that affect the life of every human being in this country.

We think we are presenting a really good bill to the House today—one that the Members can support and be proud of.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to my friend, a member of the committee, the gentleman from Indiana [Mr. DENTON].

Mr. DENTON. Mr. Chairman, I want to take this opportunity to commend the chairman for the way in which he has performed an extremely difficult task. I have served for a number of years on this committee, of which the gentleman has been the chairman for many years. I know how well the gentleman from Rhode Island knows this subject and this budget. I think the gentleman from Rhode Island [Mr. FOGARTY] has made an ideal chairman because of his humane approach to these questions.

He has certainly done an exceptionally excellent job this year because, in my opinion, we were confronted with one of the most difficult questions we have had since I have been on the committee. He has said that, for some of these programs, this was the worst budget that he had ever seen. I am sure, since I have been on the committee, that this was one of the worst budgets that has been submitted. There were cuts made in the name of economy when anybody who made those cuts knew that the country

would never stand for them and that the Congress would never stand for them. I speak, for example, of the cutback in funds for schools in federally impacted areas. We had agreed that we would give them a certain sum of money and then it was proposed to cut that amount back 15 percent and shortchange the people. The budget that was proposed undertook to cut back research for heart disease, cancer research, and mental health, and other programs of that kind. It was unthinkable to cut back the hospital construction program and the sewerage construction program and other such vitally necessary programs.

The easy path, of course, would have been to say, "Well, let us go along with the budget and let somebody else do the job." But our chairman, the gentleman from Rhode Island [Mr. FOGARTY], showed courage and showed that he would consider the welfare of the country first. He did not think of political considerations. He restored the amounts that were cut in the executive budget because that is what the country wanted. I think he should be highly commended for the work that he has done.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to my colleague, the gentleman from Missouri.

ONE OF MOST VITAL BILLS WE WILL CONSIDER

Mrs. SULLIVAN. Mr. Chairman, I, too, want to congratulate the chairman of this subcommittee and its members for the courageous job they did on this particular appropriation bill.

This appropriation bill before the House this afternoon, H.R. 6769, providing funds for the Departments of Labor and Health, Education, and Welfare, will probably be passed today with limited discussion and very little controversy. I personally wish we would spend a week or more on it. For in this one piece of legislation—this one bill which we will pass in just a few hours' time—we are performing one of the most important assignments we will have in this entire congressional session.

The Congress has been criticized for having so little to show for the 4 months we have been in session. I have made some of those criticisms myself. But if we did nothing more than enact this one bill—as it was reported to us from the Committee on Appropriations—I would say that this first session of the 86th Congress would have accomplished a great thing. Of course we must do a whole lot more than pass this bill—we have a vast amount of legislation which we must enact before we can feel our work for this year has been done—but I venture to say that no bill we pass will be more important from a long-range viewpoint than this one.

PUBLIC SHOULD KNOW OF SIGNIFICANCE OF THIS LEGISLATION

I say I wish we could spend a week in discussing it here—preferably with lots of controversy and fireworks over individual provisions of the bill—so that the public would then quickly come to know some of the details of this legislation. For truly, to any citizen who may ask what is so special about this bill, it can

honestly be said in reply: "Your life may depend upon it."

Millions of Americans may owe their lives to the work done on this bill by Chairman JOHN E. FOGARTY and his colleagues on the subcommittee which handled this legislation. I am personally grateful to Congressman FOGARTY for the things he has succeeded in putting into the bill in line with requests I had made. But more than that, as a citizen and as a person I am grateful for what he has accomplished in this legislation for every member of the human race.

Money cannot buy health; but money is vital to research into the diseases which destroy health. And included in this bill is money which can save the lives of millions of persons otherwise doomed to premature death from one or another of the dread diseases which stalk our world.

#### NO "FRITTERING" OF TAX FUNDS

This is one of the few appropriation bills we pass each year where our concern is directed less at what the budget recommends than it is at what the situation requires. I would say that the other area of appropriations in which the budget's adequacy is similarly questioned is in the field of defense. But in most other fields we use the budget as a guide as to what might be useful expenditures, and then cut below those estimates. In this case, however, we are virtually scrapping the budget—because, as Chairman FOGARTY has so clearly showed—the budget is woefully inadequate when it comes to recommending funds for medical research and many other activities covered by this bill.

Some of the businessmen in my district have written me to denounce the Congress for, as they put it, "frittering away" billions upon billions of dollars. I have replied that in connection with the recommendations in this bill now before us, I was going to vote for far more than the budget suggested—for instance, for research into cancer, arthritis, heart disease, and so on, and for the Food and Drug Administration and many other activities—and that I had no apology for doing so. In fact, I am proud to do so.

#### ATTACK OF POLLUTION

There are many things in this bill which are important to our health in addition to the so-called glamor items of research funds for the National Institutes of Health. One of the most significant items from the standpoint of our Nation's cities is the additional \$25 million over and above budget recommendations, for sewage-treatment works. Pollution of our streams and rivers is one of the most serious health hazards facing this country. Some really hair-raising information on this problem has been placed in the CONGRESSIONAL RECORD from time to time by our colleague from Michigan, Congressman DINGELL, under the caption "Poison in Your Water." And the hearings in the past by the Committee on Interstate and Foreign Commerce, as well as those by the Fogarty Subcommittee on Appropriations have

thoroughly documented the importance of antipollution work.

Yet the President's budget for the work of the Public Health Service in this field recommended slashing in half or to less than half the funds provided last year, to only \$20 million. This bill restores all of that money for a total of \$45 million. The importance of this item is impressively outlined in a letter I received in February from Mr. William Q. Kehr, executive director of the Metropolitan St. Louis Sewer District, as follows:

METROPOLITAN ST. LOUIS  
SEWER DISTRICT,

St. Louis, Mo., February 20, 1959.

The Honorable Mrs. JOHN B. SULLIVAN,  
House of Representatives,  
House Office Building,  
Washington, D.C.

DEAR MRS. SULLIVAN: The Metropolitan St. Louis Sewer District has been following with considerable interest the water pollution control program under the administration of the U.S. Public Health Service. We were quite concerned to note that a substantial reduction is proposed in the appropriation to this activity for the coming fiscal year.

It has been the observation of district personnel that this program has been worthwhile and that it has resulted in a substantial increase in the construction of pollution abatement facilities. Such facilities are vital to the welfare of the Nation as a part of a broad, overall water resources program which must be accomplished if an adequate supply of water of suitable quality is to be available to take care of the rapidly growing needs of industrial and domestic users. Failure to accomplish a satisfactory program will inevitably result in delaying much-needed industrial development and in deterioration of an essential natural resource.

The metropolitan sewer district is now engaged in a program which it is anticipated will lead to the treatment of wastes from the metropolitan St. Louis area, probably the largest metropolitan area in the Nation without adequate sewage-treatment facilities. Should congressional action be such that the people of the area can assume the Federal Government has lost interest in this program, our job will be made much more difficult if not impossible. The fact that the St. Louis area has been without treatment for so long in itself constitutes a big obstacle to securing the favorable consideration of the bond issue which will be necessary to provide needed facilities. A substantial reduction in appropriations for the coming year would, in all probability, be taken by the general public as a decreasing interest on the part of the Federal Government in this important program.

While any grants-in-aid which may be available under the present law would provide only token assistance to the St. Louis area, the fact that the Congress is showing a continuing interest in pollution abatement to the extent of continuing them even at the present minimum level would, we feel, have an important effect on the attitude of the people at the time the bond issue is presented, probably in 1962. Certainly in smaller municipalities where such grants constitute a much greater incentive and where the need for financial assistance is much greater, the program is most important.

We sincerely hope you will weigh very carefully the effect of any major changes which might tend to minimize or slow down the present water pollution control program, and that the Congress will continue to support this vital program.

Yours very truly,

WILLIAM Q. KEHR,  
Executive Director.



HOSPITAL CONSTRUCTION FUNDS

Another item I want to mention in connection with long-range health needs is the additional \$42,500,000 over the budget included in this bill for grants for hospital construction under the Hill-Burton Act. The budget recommended \$101,200,000; this bill carries \$143,700,000. The importance of this action to St. Louis and to Missouri can best be shown by the following report I received in March from Dr. H. M. Hardwicke, deputy director and acting director of the Division of Health of Missouri showing the applications on file

for hospitals seeking to expand facilities under the Hill-Burton program:

THE DIVISION OF HEALTH OF MISSOURI,  
City of Jefferson, March 30, 1959.  
The Honorable Mrs. JOHN B. SULLIVAN,  
Missouri Member of Congress,  
House Office Building, Washington, D.C.

DEAR MADAM: We are writing you in regard to the need for additional Hill-Burton funds in the State of Missouri. At the present time, we have applications from the communities on the enclosed list to be considered at the next hospital advisory council meeting when the funds allowed by Congress are distributed according to our State plan for the coming fiscal year.

This is not an attempt on the part of the division of health to enlarge its program, but rather is the recognition by us that we have a responsibility of assisting local communities in solving some of their medical problems. I am sure that you can see from the enclosed list that there is still a real need for Hill-Burton funds in order that adequate medical facilities may be provided for the citizens of Missouri in these areas.

Your consideration will be appreciated when these funds are reviewed by Congress.

Very truly yours,  
H. M. HARDWICKE, M.D.,  
Deputy Director and Acting Director,  
Division of Health.

Fiscal year 1960-61

Name of project	Location	Beds		Estimated cost	Federal share
		Type	Number		
Cape Osteopathic Hospital	Cape Girardeau	General	75	\$1,000,000	\$500,000
St. John's Hospital	St. Louis	.....do.....	324	9,632,699	4,816,349
		Mental	39	586,603	293,301
		Chronic	57	604,603	302,301
		Nurses' school and residence		2,209,618	1,104,809
		Diagnostic and treatment		387,067	193,533
		Rehabilitation		270,760	135,380
Mercy Hospital	Springfield	Nursing home	80	1,000,000	500,000
		Chronic	80	1,200,000	600,000
		Nurses' school and residence		600,000	300,000
Missouri Methodist Hospital	St. Joseph	Mental	50	746,851	373,425
		Chronic	100	1,667,000	833,500
Kansas City General Hospital	Kansas City	Diagnostic and treatment		734,145	367,072
		General		573,467	286,733
St. Joseph Hospital	Kirkwood	Chronic	77	1,258,500	629,250
Howard County Hospital	Fayette	General	50	970,000	485,000
St. Vincent's Hospital Association	Monett	.....do.....	22	351,500	175,750
		Nursing home	27	300,000	150,000
Putnam County Hospital	Unionville	General	30	450,000	225,000
Pulaski County Hospital	Waynesville	.....do.....	75	1,450,000	725,000
Wayne County Health Center	Greenville	Health center		75,000	37,500
Ray County Nursing Home	Richmond	Nursing home	80	800,000	400,000
Homer G. Phillips Hospital	St. Louis	Diagnostic and treatment		1,131,500	565,750
Washington County Hospital	Potosi	General	60	1,000,000	500,000
Kirksville College of Osteopathy and Surgery	Kirksville	Diagnostic and treatment		70,000	35,000
Sullivan Community Hospital	Sullivan	General	35	550,000	275,000
Springfield Baptist Hospital	Springfield	.....do.....	50	440,200	220,100
Dent County Hospital	Salem	.....do.....	42	700,000	350,000

	Total cost	Federal share		Total cost	Federal share
Public Law 482:			Public Law 725—Continued		
Diagnostic and treatment	\$2,322,712	\$1,161,355	Chronic	\$4,730,103	\$2,365,051
Nursing home	2,100,000	1,050,000	Mental	1,333,454	666,726
Rehabilitation	270,760	135,380	Nurses' school and residence	2,809,618	1,404,809
Total	4,693,472	2,346,735	Total	26,066,041	13,033,018
Public Law 725:			Grand total	30,759,514	15,379,753
General	17,192,866	8,596,432			

INSTITUTES OF HEALTH

Of course, the really dramatic appropriations in the bill are the \$36,500,000—\$7,430,000 above budget—for general medical research, \$83,300,000—\$8,090,000 above budget—or cancer, \$60,400,000—\$8,025,000 above budget—for mental health activities, \$52,700,000—\$7,150,000 above budget—for heart disease research, \$9,725,000—\$2,305,000 above budget—for the Institute of Dental Health, \$37,800,000—\$6,575,000 above budget—for arthritis and metabolic disease activities, \$30,300,000—\$6,215,000 above budget—for allergy and infectious diseases, \$33,600,000—\$4,210,000 above budget—for neurological and blindness research, and the \$30 million—\$10 million above budget—for construction of research facilities. The budget recommendations for the National Institutes of Health, as the subcommittee pointed out, were shamefully small in comparison.

SOME EDUCATION ITEMS

On the educational programs covered by this bill, the Committee also did a fine job. I am particularly pleased with the restoration of the more than \$1 million cut out by the budget for practical nurse training under the vocational education program; making the total for vocational education \$33,702,000; the appropriation of the necessary \$1 million authorized by Congress late last year for the training program for teachers of mentally retarded children—a program in which I am deeply interested and which I hope soon to see expanded to provide for training teachers for all categories of exceptional children, as proposed in my bill, H.R. 12; also, Mr. Chairman, I am most pleased with the Committee's action recommending the full budget amount of \$150 million for activities under the National Defense Education Act for the coming fiscal year. There is widespread support also in Missouri

for the appropriation of an additional \$6 million for the Library Services Act, an increase of \$850,000 over the \$5,150,000 recommended in the President's budget.

FOOD AND DRUG ADMINISTRATION NEEDS RECOGNIZED

By far the most satisfying thing to me in this whole bill—and I think I have made clear that this bill is full of very wonderful programs—but to me the greatest satisfaction comes from the action of the Committee in agreeing to add an additional \$2 million above the budget for the Food and Drug Administration.

Year by year since I have been in the Congress, I have worked and fought to increase the funds for this neglected and ill treated Government agency. Several years ago, when the need was urgent and obvious, Secretary Hobby suggested that nothing be done to increase the funds until a citizens' committee could report on how well or how

poorly the agency did its job with the money it already had.

Out of that study came confirmation of what many of us had already been saying; that is, that the FDA was doing a superhuman job under unimaginable difficulties, the most serious being the desperate lack of funds.

**EISENHOWER ADMINISTRATION SLOW TO ACT ON  
FDA NEEDS**

The Citizens Committee appointed by Mrs. Hobby called for a three to four-fold increase in size and funds of the Food and Drug Administration in from 5 to 10 years. That was in 1955. I tried immediately to get action on this recommendation, but unfortunately the Eisenhower administration had to spend a full year studying the recommendations before it was ready to agree to seek extra funds to carry out even partially the recommendations of the Advisory Committee. And ever since, the administration has dragged its feet in asking for the funds to achieve even the minimum expansion program recommended. The administration wasted a whole year before asking for any funds to begin carrying out the Citizens Advisory Committee report; then, year by year since 1956, it asked for less than enough to meet even the threefold 10-year expansion timetable. In the current fiscal year, the agency is running nearly 100 positions behind where it should have been by now if the minimum 10-year timetable had been followed. Under the budget proposed for next year, the agency would be running about 200 positions short. This bill now before us, by adding \$2 million to the Food and Drug Administration's funds over and above the \$11,800,000 suggested in the President's budget will bring the agency up to the very minimum level of expansion recommended by the Citizens Committee. That is far from adequate. But it is a great step forward. Once again, the Fogarty subcommittee has demonstrated the determination of Congress that the needs of the American people must take precedence over dollars.

**BIG JOB FOR FOOD AND DRUG ADMINISTRATION**

As one of the sponsors of the food additives amendment we enacted last year, requiring pretesting of all chemicals used in food to establish their safety before they can be used, I am aware of the extra burden this has placed on the FDA. We must make sure the agency has the necessary scientific staff not only to carry out this new law, but also its day-to-day responsibilities in protecting the American people against filthy, adulterated, misbranded, or fraudulent foods, drugs, and cosmetics. It is a tremendous job and one which is vital to all of us.

**RESEARCH WORK PROVIDED FOR IN BILL**

The additional funds provided for FDA in this bill, over the President's inadequate budget will also cover some tremendously important research projects which could not otherwise go forward. It is incomprehensible to me that the President, or the Budget Bureau, could have eliminated from the agency's budget certain proposed research projects which al-

together will cost about \$774,800 in the coming year. They include:

First. Detection and identification of pesticide residues, \$169,400.

Second. Determination of effect of radioactivity on foods and drugs, \$230,500.

Third. Investigation of presence of carcinogens in container waxes, \$114,200.

Fourth. Study of presence of toxic properties in fatty acids, \$114,500.

Fifth. Investigation of bacterial contamination of frozen foods, \$47,500.

Sixth. Development of methods of analysis for adrenal and cortex hormones, \$17,500.

Seventh. Additional effort in food standards and cosmetics, \$81,200.

Of these proposed research activities, Mr. Chairman, the President's budget eliminated all but \$33,400 for food and cosmetic standards, and \$35,700 for research on bacterial contamination of frozen foods. I am glad this bill reverses the budget on this item.

The few extra dollars made available by the subcommittee in this bill to carry out the research programs listed above are among the most important dollars we can appropriate. We are concerned, and rightly so, over radioactivity in the foods we consume, over the dangers from unintentional thawing and then the refreezing of frozen food, over the increasing use of pesticides and the residues of pesticides left on foodstuffs, and over all of the problems in public health that this research will cover.

Mr. Chairman, this is an excellent bill, on the whole, a remarkable one. I am happy to support it.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. GEORGE P. MILLER. Mr. Chairman, I congratulate the gentleman from Rhode Island [Mr. FOGARTY] for restoring certain sums before bringing this bill to the floor of the House. I am particularly happy to see that he has restored the funds for the National Institutes of Health. We are spending more than \$300 million a year on a missile program. No one denies that this is important, but if it is important to probe space for the future, it is certainly just as important to maintain the health of our people in the present. Any economy that can stand that expenditure can afford additional expenditure for health.

Mr. FOGARTY. I thank the gentleman.

Mr. GEORGE P. MILLER. I also want to thank him for restoring the cuts in the school program.

Mr. FOGARTY. I thank the gentleman.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BOLAND. I join with my colleagues who have paid tribute to the manner in which the gentleman from Rhode Island, as chairman, has handled this program. From the worst budget which the Department has submitted to the Congress you have made it one of the best. This is the kind of program that touches the hearts and lives of Americans.

Last year the committee made available an item of \$700,000 for the treatment of alcoholism. Is there any money in this year's budget for this program?

Mr. FOGARTY. We have allowed additional funds for the Mental Health Institute under which this program is being carried out. We allowed \$700,000 for this fiscal year to start this new program. Grants have been made to some of the health and medical schools of the country.

Mr. BOLAND. I thank the gentleman. May I again say that the gentleman from Rhode Island [Mr. FOGARTY] has done a magnificent job in bringing this budget to the floor. No one in this Congress or any other Congress, to my knowledge has made such a study of the problems of the diseases that affect mankind. I commend him for his activity in this field and express the appreciation of the people of this Nation, who are interested in these programs, to Congressman FOGARTY for the devotion he has shown to these causes.

Mr. FOGARTY. Mr. Chairman, I yield myself 2 additional minutes.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mrs. CHURCH. Has Howard University received its proper and needed share in this appropriation bill?

Mr. FOGARTY. I think they have. We have given them every cent they asked for. There was no indication by the witnesses who appeared before the committee that they could use more. We gave them what they asked for.

Mrs. CHURCH. And what the Bureau of the Budget requested?

Mr. FOGARTY. That is true.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BAILEY. Once more, the distinguished gentleman from Rhode Island and the members of his subcommittee have taken the necessary action, as he has over the past years, to restore the confidence of his colleagues in the House in the efforts we are making for better health conditions and education throughout the Nation.

Mr. FOGARTY. I thank the gentleman.

Mr. BAILEY. I want to thank the gentleman for his very good work.

Mr. FOGARTY. I thank the gentleman very much.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. O'HARA of Michigan. I want to congratulate the gentleman from Rhode Island on the perspicacity he has shown in piercing the smokescreen with which the administration surrounded its budget requests for health activities. I am concerned about the cut of more than a million dollars in the tuberculosis control program. I hope this will not result in a repetition of the unfortunate results that followed similar cuts in the venereal disease control program in past years. Medical advances through research are of little value unless they are followed by adequate educational and control programs.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. McGOVERN. I want to congratulate the gentleman and his committee on these constructive proposals, which deal with some of the most important problems facing our country today. I especially appreciate an item relating to the expansion of teaching of mentally retarded children.

As the sponsor of this program authorized by the 85th Congress, I have a special interest in the approval of this modest request for funds to execute the program.

Mr. FOGARTY. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. FOLEY. I want to join my colleagues in paying tribute to the gentleman and his committee. I want to point out a significant contribution he has made in supporting the impacted area Federal aid program. This program has been in existence for several years. The chairman succeeded in restoring cuts made in the 1959 budget, and through his leadership again he has done yeoman service and has seen that this Congress provide support in full to this program for 1960.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. PERKINS. I wish to congratulate the gentleman from Rhode Island for bringing before this committee a realistic budget for the National Institutes of Health. The gentleman from Rhode Island has always supported our school programs and I am proud that the committee increased the impacted funds which will permit the school systems to count on the same level of Federal support in fiscal 1960 which they received this year.

In the district that I am privileged to represent, we have many communities that are unable to construct sewage treatment plants on their own without assistance from the Federal Government. I am proud that they saw fit to increase the appropriation to \$45 million. This amount is more than double President Eisenhower's \$20 million budget request which is completely unrealistic in view of the fact that we now have applications pending that cannot be reached for more than 3 years under the present budgeted amount of \$20 million.

Mr. Chairman, I cannot think of any better way to spend a few million dollars for the general welfare of the people.

Again I want to thank the committee for their courage.

Mr. FOGARTY. I thank the gentleman.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MONAGAN. I join with my colleagues in their words of commendation to the chairman of the subcommittee on the excellent job he has done. I am particularly pleased to see restoration of the funds in the National Institutes of Health. This is one of the great govern-

mental enterprises of our country and it has great importance for the future health of our country. I am glad the funds have been restored to permit this work to go on.

We certainly need make no apology about increasing the budget in this regard.

The CHAIRMAN. The time of the gentleman from Rhode Island has again expired.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD, if they care to do so.

The CHAIRMAN. Is there objection? There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Chairman, on February 15, 1939, the President of the United States—Franklin D. Roosevelt—in a message to Congress, pointed out the unprecedented advances in water cleanup made possible by the public works and work relief programs during the preceding 6 years. He concluded with this statement:

On the basis of recent experience it (Federal participation in pollution abatement) should be supplemented by a system of Federal grants-in-aid and loans organized with due regard for the integrated use and control of water resources and for a balanced Federal program for public works of all types. The time is overdue for the Federal Government to take vigorous leadership along these lines.

Until enactment of Public Law 660 in 1956, the Federal Government had not provided vigorous leadership. The professionals in the field of sanitary engineering are unanimous in their conclusion that water pollution day by day and year by year has become progressively worse during the past 40 years, except for that brief period when the public works and work relief programs made positive progress toward alleviation of this critical problem. Water quality in the United States is still going downhill.

Mr. Chairman, with the implementation of Public Law 660, this great national resource began to climb out of the sewers. We are making progress in this vital field under Public Law 660. To accept a cutback in construction grant funds is unthinkable.

As one of the authors of Public Law 660, I am deeply concerned that this worthwhile program move ahead with all possible speed.

The people of the United States have spoken. They have spoken in a language that everyone can understand. They have spoken in a language of dollars. They have provided \$4 from local sources for every dollar of Federal funds provided. I ask you, in what other dollar sharing cooperative program have they spoken so clearly?

Mrs. DWYER. Mr. Chairman, I should like to call special attention to the committee's interest in a relatively new field of medical research—that of cystic fibrosis.

Because of the committee's interest last year and its determination to help organize an effective fight against the disease, there are already a number of encouraging developments.

Most encouraging, however, is the committee's continuing interest in cystic fibrosis. I was delighted that the committee report specifically stated its expectation that the National Institute of Arthritis and Metabolic Diseases would continue to emphasize its research program in this field.

As the Institute noted in its report to the subcommittee, cystic fibrosis presents to medical research the rare challenge of a new disease. Though it has been identified as a specific disease for barely 20 years, it has recently become the second most common post-mortem diagnosis in children's hospitals in the United States. Present estimates make it clear that of the 4 million children born annually in this country, several thousand have cystic fibrosis.

Research efforts to date have determined that the disease is not inevitably fatal, and that early diagnosis and proper treatment can at least prolong the lives of young patients.

On the other hand, cystic fibrosis is just beginning to be known to physicians and laymen alike, the incidence of the disease is still uncertain, the range and variety of its symptoms has just begun to be appreciated. Furthermore, it has just been realized that cystic fibrosis may involve many more tissues and organs of the body than earlier thought, that the control of accompanying infections may become increasingly difficult, and that the root causes of the disease are exceedingly complex.

Fortunately, Mr. Chairman, congressional support of this vital research program is already bearing fruit. Two of the National Institutes in January of this year cosponsored the first international research conference on cystic fibrosis. I understand this conference was well organized and extremely effective, attracting some of the best minds in the field and stimulating a vigorous interest in more intensive investigation along a broad range of research possibilities.

In addition, both institutes—the National Institute of Arthritis and Metabolic Diseases and the National Institute of Allergy and Infectious Diseases—have well coordinated and detailed research programs in operation this year, together with related programs at other medical centers carried on with the grant assistance of the institutes.

The Congress last year directed that \$375,000 be devoted by each institute to increase research support in the field of cystic fibrosis. It appears, from the subcommittee's hearings, that this money is being effectively spent.

It is a privilege to acknowledge the imaginative and effective work the subcommittee has been doing in this field. Its chairman, the gentleman from Rhode Island [Mr. FOGARTY], and its members deserve support and appreciation for their indispensable contribution.

Mr. BLATNIK. Mr. Chairman, I want to take this opportunity to extend my heartiest congratulations to the distinguished gentleman from Rhode Island for bringing to this House a responsible yet adequate appropriation bill

for the Departments of Labor and Health, Education, and Welfare.

His deep knowledge of the subject matter covering as wide a variety of fields as any other bill that comes to this House is truly a great tribute to a fine and courageous gentleman who does what he thinks ought to be done for the best interests of the country and the welfare of the people.

This bill before us today is a result of his foresight and courage. We can all be thankful for his leadership and that of the members of his subcommittee.

I was especially pleased with the committee's action regarding grants for waste treatment works construction. The administration, as we all know, has opposed this program from the beginning, although it tried to take credit for its enactment during the 1956 Presidential campaign. They expected the program to fail or never get off the ground, but they were fooled. The program is working beyond all our expectations, as I will describe in more detail later, so now the administration has decided to hasten the day of this new program's failure by starving it to death through inadequate appropriations rather than attempting to kill it outright, as even the most naive observer knows it can never accomplish because of the program's great popularity and almost unanimous public support.

The administration's request for \$20 million to carry out the construction grant program under Public Law 84-660 is, as the committee stated in its report, "completely unrealistic in view of the needs." Stated simply, the needs in the field of waste treatment plant construction are enormous. An independent survey by three of the Nation's State sanitary engineers, presented recently to the Committee on Public Works, shows that in order to meet the needs of municipalities for sewage treatment works, the Federal Government would have to contribute \$100 million in grants each year for the next 8 years. This amount is needed to stimulate \$575 million worth of construction each year which is necessary to eliminate our huge backlog of treatment plant construction needs and provide for plant obsolescence and population growth.

A \$20 million appropriation would support about 225 projects for a total project cost of approximately \$100 million or contract cost of \$85 million. At this rate, Mr. Chairman, we would not even be holding our own against the water pollution problem, much less making progress toward its elimination. This becomes evident when we examine contract awards in 1958 which reached an alltime high of \$389 million. Approximately \$235 million of this total involves projects not receiving Federal aid under the existing program. There is no reason to believe, and none has been shown me in over 10 years of study of this problem, that construction during any single year will exceed \$250 million, plus that which can be attributed to Federal aid.

Contract awards for sewage treatment projects financed entirely by local funds averaged \$222 million annually from

1952 through 1956. With the advent of the Federal grant program in 1956 non-federally aided construction totaled \$233 million in 1957 and \$246 million in 1958. The great increase in construction in those 2 years can be attributed, and must be attributed, to the Federal aid being made available under this program. This aid amounted to \$118 million in 1957 and \$143 million in 1958. This leaves us still far short of our goal of \$575 million, and it would be unthinkable therefore to cut the Federal share as is recommended by the administration.

The demoralizing effect of sharply reduced appropriations would have immediate repercussion in State water pollution control programs. The development of needed sewage treatment projects is a tedious and difficult process. Federal grants have proven to be a very useful tool for this purpose. The elimination or weakening of this tool could virtually halt progress now being made in the control of pollution. The reduction or elimination of the appropriation item contained in this bill for sewage treatment plant construction grants would be a serious and costly mistake. To those who would eliminate these funds for the reason of economy I can only say that it is far better for the Federal Government to participate in the present limited program, which has had such marked success, than to be forced into an all-out and costly crash program in the future to preserve a wasted water supply. This is money we literally cannot afford not to spend.

The Nation's health and economic development and national security depend on an adequate quantity of water of the right quality. Recognizing that the control and abatement of water pollution is primarily a local and State matter, we must at the same time face the fact that the Federal Government has a direct interest and duty. It can fill that responsibility in a number of ways, most important of which is by financial assistance to the local communities for the construction of waste treatment facilities.

This program has been endorsed by every major national conservation group, by civic garden clubs, by the Nation's State and Territorial health officers, and by many, many others, except, of course, the NAM, the National Chamber of Commerce, and the administration, that well-known triumvirate of balanced budget worshipers. An interesting sidelight to the position taken by the administration is the fact that the President's Water Pollution Control Advisory Board had wholeheartedly endorsed this program and not only recommended full appropriations for it, but overwhelmingly endorsed my bill, H.R. 3610, which would double the funds available for this program.

The other day I received a letter from Nelson A. Rockefeller, Governor of New York. He supports this program and advocates increasing the appropriation from \$50 million to \$100 million a year. The Governor of Oregon supports this program and urges that appropriations be made in the fully authorized amount.

It would seem, Mr. Chairman, that some of these younger Republican Governors, close to their States' problems, recognize the worth of this program that goes unnoticed by older heads of their party.

Mr. CARNAHAN. Mr. Chairman, I speak in support of the \$45 million appropriation for water pollution control. This is not solely a local, State, or even regional problem. It is a national problem and a national responsibility. Pollution control was on a local or State level for many years prior to 1956, and pollution steadily increased.

Even with limited Federal participation since 1956 the problem has not been solved, yet Federal participation has definitely stepped up the building of much needed waste treatment works.

During this period the rate of construction has doubled. The incentive effect of Federal construction grants is well illustrated by the fact that communities, to the end of 1958, put up \$480 million to match \$113 million in Federal funds. Every dollar of Federal aid has been matched by more than four local dollars.

Under Public Law 660, contract awards for treatment facilities rose to \$350 million in 1957 and an unprecedented \$400 million in 1958. This is real progress, when compared to an annual average of \$222 million in the 5 years preceding Public Law 660—1952 through 1956—before Federal construction grants.

Many communities in all the States are building with Federal aid. As of March 31, 1959, sewage treatment works construction grant offers totaling \$120.3 million had been made for 1,443 projects having estimated total project costs of \$637.3 million.

The American system has proved time and again that many problems cannot be solved on a local level and that Congress must assist on a national level. I would cite several other phases of water conservation to which we now provide Federal aid: flood control, reclamation and irrigation, multiple-purpose dams, small watershed management, and experiments in saline water conversion. All are aimed at retaining or increasing the usable supply of water for a fast increasing population. Shall we then neglect the one conservation measure—cleansing our sewage and waste waters for re-use—that can prolong the usefulness of our waters on their way to the sea—the one conservation measure that will provide water for the greatest number of people, for the most uses, over the longest period of time?

I should like to emphasize that every dollar of Federal aid in the construction grants for sewage treatment plants has been met by more than 4 local dollars. In many other Federal cost-sharing programs, the ratio leans in the other direction, with Federal cost outweighing State or local shares sometimes three to one.

The recently published Rockefeller report on the U.S. economy states:

Any serious effort to project our growth potential for the future must take account of our supply of natural resources. The drain on our traditional supplies has been prodigious. We must face the fact that our

supplies are not inexhaustible. The Nation's water problem, already serious in important areas, may well become, in the next 10 to 15 years, one of the most difficult issues facing our economy.

To lessen Federal participation and loosen the strings of Federal leadership at this time in the important job of water pollution control, would be an unforgivable act of regression. Within the next two decades our present 175 million population will have increased another 100 million. Water experts say that we will by that time have reached the peak in water use that our available supply will permit.

I earnestly urge your support of the \$45 million appropriation for construction grants in municipal sewage treatment, in order that the good work underway may continue next year at least on an equal with accomplishments of this and the preceding 2 years.

Mr. FULTON. Mr. Chairman, I strongly urge support of the full authorization of \$45 million for the Public Health Service program of construction grants to help local communities build sewage-treatment works.

Early this month, Secretary Flemming of the Department of Health, Education, and Welfare, in testifying before the Committee on Public Works, stated:

Surely we can all agree on the increasing importance of water in our national life and economy. This matter of water, without question is about to become, indeed if it has not already a critically urgent national problem.

The Secretary said that in 21 short years we would be using more than double the amount of water we are now using.

Mr. Flemming went on to say:

As I see it, we don't stand a chance of meeting these accelerating requirements unless we make marked progress in the direction of cleaning up our streams and keeping them clean. For 40 years, we have been dumping more pollution into the surface waters of the Nation than we have been removing through waste treatment.

Under Public Law 660 of the 84th Congress, the very successful administered program of Federal construction grants was inaugurated. Unfortunately the bill was amended to provide only \$50 million in grants annually—instead of \$100 million as was originally determined to be needed for 10 years to wipe out the construction backlog and return our waters to the quality necessary to meet the demands of an expanding population and industry.

Under the Federal authorization, construction of sewage treatment works has jumped from a 1952-56 average of \$222 million to \$400 million in 1958. The construction needed to meet the objective of this legislation is still short some \$200 million a year.

The budget provides not for the \$100 million needed, not for the \$50 million Federal expenditure authorized in the law, but only \$20 million, which I believe must clearly be raised.

I urge your support for the full authorization for this worthy program provided in Public Law 660.

I will close with Secretary Flemming's closing statement before the Committee on Public Works:

This problem is so important to the welfare of our Nation that action and not words should characterize the approach of all public and private groups to the problem.

Mr. JOHNSON of Colorado. Mr. Chairman, I have been directed by the president of the Welfare Directors Association of my State, by the chairman of the Board of Public Welfare of the City and County of Denver, by the State director of public welfare, and by the Denver director of public welfare to express my profound regret that H.R. 6769 as it was reported to this House failed to include the sums requested by the administration in the amount of \$1,785,000 for social security training and studies.

The various units of government, Federal, State, and local, are now spending some \$3 billion on public assistance every year. Much of this is spent through staff members who are not adequately trained to give the help to the recipients that they need; they are not able to help rehabilitate and restore these persons to self-sufficiency; yet, surely, it is the intent of Congress that they be so helped.

Instead, the staff helps to process the applications and we spend the money month after month and year after year. We do not give the professional help that the recipients need.

The legislature of my own State, Colorado, during the session it just completed, voted an appropriation of \$104,000 for the purposes of rehabilitation and incentive budgeting. In the aid to dependent children program, and the aid to the disabled program, the legislature itself initiated this program out of a study which it had made of these two programs. The State gives 80 percent and the counties put up 20 percent. The counties, therefore, will participate in this program to the extent of 20 percent of costs, and Denver has already indicated its willingness to join in a project of this sort.

I submit that if one State, a State, Mr. Speaker, which is less than 1 percent of the Nation in population has been persuaded on its own to spend \$104,000 in the expectation that it will save more than that amount in its own State, then this Congress could well afford to authorize at least the sums called for by the administration.

I hope that our friends in the other body will use good judgment and restore to H.R. 6769 at least the amount requested by the administration; for, if you can persuade a State legislature that this kind of program will pay off, it certainly must be a good program. Actually, from my own experience in years past, I know that these training programs do help make the staff members more efficient. They more than pay for themselves in improved service and in lower costs, and certainly these public assistance programs are in great need of reexamination. If through cooperative research and study the program can be improved, or recommendations can be brought back to the Congress for the im-

provement of the laws with respect to the programs, the taxpayers as well as the recipients will be the better for that decision.

Actually, I hope the administration and the Congress next year will cooperate in making available the whole amount authorized by the Congress in 1956.

The original authorization in the 1956 amendments to the Social Security Act was \$5 million for training and \$5 million for cooperative research in welfare and social security. The request this year for \$1,785,000, is only about one-sixth of the amount of funds of the Department of Health, Education and Welfare the administration considered necessary and desirable.

Measured against the current Federal and State expenditures for public assistance alone, which run about \$3 billion a year, this request represents five one-hundredths of 1 percent of these expenditures and constitutes, therefore, extremely modest proposals.

#### COOPERATIVE RESEARCH AND DEMONSTRATION PROJECTS IN WELFARE AND SOCIAL SECURITY AND RESEARCH PROJECTS

Seven hundred thousand dollars of these funds would be used for financing projects of local welfare departments, voluntary agencies and universities designed to provide the administrators of these public assistance programs with evaluation of methods for preventing and reducing dependency, the improvement of coordination between public and private welfare agencies, and demonstration of ways and means for improving the administration and effectiveness of public assistance programs. These cooperative research funds would make it possible for a number of important questions to be examined and some methods developed for testing how people can be more effectively and significantly served in our public welfare programs.

Quickly stated in outline form, here are some of the questions and problems that deserve study and analysis:

What are the factors that produce a pattern of disorganization among certain families which, in some instances, carries on from generation to generation?

What are the best methods and procedures for motivating dependent persons to become more self-reliant? Are there certain rehabilitation procedures that might be employed with respect to persons with a long history of dependency on public assistance?

Are there ways in which individuals now admitted to State institutions because of senility could be assisted and helped to stay in the community at considerably less cost and with some hope that they might be helped to retain some capacity for managing their own affairs?

How can the problem of desertion be dealt with more effectively, and what are the most significant methods for bringing about uniting of families or at least securing a degree of support from the deserting father?

There is an obligation upon government—which spends so many billions of dollars for public assistance—to ascertain, with the aid of qualified agencies and universities, how our public assistance program can fulfill its humanitarian purpose more effectively for these millions of dependent individuals.

Research needs to be conducted also on ways and means for reducing administrative costs in public assistance through the study and examination of procedures that will provide assistance and services as efficiently as possible without, however, any violation of human dignity.

Fortunately, the costs of public assistance are beginning to level off as the old-age and survivors and disability insurance program has increasing impact. This is, therefore, both the time and occasion to develop methods for more significant help to the lowest income group in the country—the sick, aged, the disabled and handicapped, and the children who are not protected by survivors benefits. This investment of \$700,000 could be one of the wisest appropriations the Congress will make.

#### TRAINING OF PUBLIC WELFARE EMPLOYEES

An appropriate and necessary parallel program to cooperative research is one for training of the employees of public welfare agencies who are called upon to administer grants and services to that section of our population with the highest complex of problems—social, economic, and psychological.

Whether in teaching the young or serving the sick, there is no substitute for qualified personnel in the area of services to people. For a variety of reasons, including, of course, salary levels, recruitment of public welfare personnel is confined largely to the residents of a particular State. Many of these public welfare staff members, who have had no professional preparation for their arduous and important jobs, have a strong desire to be more helpful to the people they serve and wish to prepare themselves, through inservice training and graduate training, to fulfill that desire. The \$1 million requested would make it possible for something in the order of 350 of these individuals throughout the country to secure some degree of training, ranging all the way to full graduate training in a school of social work. There are about 29,000 case workers handling grants to the needy. Only 20 percent of these have had graduate training. There may well be at least 1,000 individuals who are prepared now to take advantage of proposals for further preparation of themselves to perform their jobs more significantly.

It must be recognized that until more skilled professional personnel are made available for the administration of grants and services in our public welfare program, the public assistance rolls will continue in many parts of the country to be analogous to a community equivalent to the back wards of our mental institutions. The mental health field has gradually demonstrated that one of the key factors in preventing a chronic and nonreversible condition is sufficient and well qualified personnel. The mental health field has made progress in this area and the action of the Appropriations Committee urging still further funds for the field of mental health and for the training of personnel for mental health assures still further progress. People on the back wards

of the public assistance rolls have got to be helped and this takes dedicated and qualified personnel.

Modest as this request is for cooperative research and training of public welfare personnel, it can, in the course of time, make a significant contribution to the reduction of the cost of public assistance to the Federal Government and, of course, to the States, for it is an application of the old adage that it is the ounce of prevention that saves a pound of cure.

Mr. VANIK. Mr. Chairman, I am pleased to support H.R. 6769 as recommended by the committee.

However, I want to take this opportunity to direct the attention of Congress to the appropriation of \$2,033,500,000, to the several States for public assistance.

A great portion of the appropriation for public assistance grants, over \$650 million, is set aside for aid to dependent children. Add this to what is spent by State and local sources and you arrive at an astounding total cost to the taxpayers of this Nation of more than \$1,100,000. This sum does not include other costs to the taxpayers. We must also include the cost of public housing facilities for these families as well as health, medical care, and poor relief.

There are great areas of need that are completely neglected. On the other hand, there are possibilities for wiser spending and shifting a proper share of this burden from the backs of innocent taxpayers to the shoulders of runaway fathers who have deserted their children and forsaken their family obligations.

It is estimated that \$200 million of these Federal appropriations are spent as Federal grants-in-aid to the several States to help support the children of runaway fathers. When one adds the State and local expenditures, the total cost reaches the incredible sum of \$540,000 every day.

The frustrating fact is that the Federal Government itself can eliminate most of this costly taxpayer burden.

The Social Security files include wage reports of these men including the addresses of their employers. Local authorities are pleading for access to this information in order to track down these fathers and make them pay toward the support of their children. But Social Security has permitted this to be done only in a limited number of cases on a temporary trial basis. The agency objects even to this meager help.

Although I support this appropriation and the invaluable efforts of the committee, I call the attention of this House to several pending bills which direct the Social Security Administration to provide the necessary employer addresses to the proper local authorities seeking to locate runaway fathers.

I know of no better way to save the American taxpayers hundreds of millions of dollars each year in this ever-increasing burden.

Mr. PORTER. Mr. Chairman, I want to discuss specifically the need for the amount requested for waste treatment plant construction which has been

recommended by the committee. From reports I read and letters I receive it is clear that there are sufficient demands from communities in our country to warrant this amount and more.

It is a mystery to me how the President's budget can ask for only \$20 million. This fiscal year the amount of \$45 million is being well used. I do not believe we can justifiably appropriate less.

I do not believe any Member, once he was aware of the value of the Water Pollution Control Act, would oppose this committee recommendation. I think water pollution control is essentially a Federal problem. It is too great a burden for local authorities. The program as it is now in operation has been of real value in the Fourth Congressional District of Oregon. Five cities in the district already have benefited from Public Law 660. I understand there are now 12 new applications from Oregon cities pending in the regional office. Four come from my district.

This fine pioneering sort of program has won bipartisan support. It should. Water pollution control knows no party. And it should not. If the administration's request for \$20 million had not been increased the benefit to Oregon would have been cut by almost two-thirds. Our water supply is too valuable to squander.

I have received many letters and telegrams in support of this program. They come from the National Wildlife Federation, the Oregon Wildlife Federation, the Governor of my State, the Oregon State Game Commission, the Oregon division of the Izaak Walton League, the Interstate Pollution Abatement Committee, the Oregon State fisheries director, and from others.

I support this program to the fullest possible extent.

#### PROTECTING OUR WATER SUPPLY

Mr. MCGOVERN. Mr. Chairman, the Federal Water Pollution Control Act of 1956 authorizes an annual appropriation of \$50 million for grants-in-aid for municipal sewage treatment facilities construction. The Congress appropriated \$50 million for fiscal 1957, \$45 million for fiscals 1958 and 1959. The President's budget recommends a reduction for 1960 to \$20 million.

That \$50 million is an insufficient amount was recently established in the hearings and report on H.R. 3610, a bill to amend the Federal Water Pollution Control Act by, among other things, upping the annual appropriation authorization to \$100 million. During the hearings the overwhelming preponderance of the testimony received from State, city, and interstate agencies, national organizations and conservation groups endorsing the bill, urged the need for an accelerated construction program.

That the Nation's vital water resources are being wasted by pollution discharged by cities and industries, and that this waste must be stemmed is not in dispute. Nor are the facts that the available amount of water cannot be increased, and that demands for water are increasing, as is its waste, at an alarming rate. It has been estimated that between now and 1975 the demand for

water will increase by 90 percent with a pollution potential proportionately increased. Already the available supply for domestic and industrial use is in short supply in enough areas to have made the matter one of national concern.

The immediately available means of stabilizing the situation and meeting the future demands for usable water is by its reuse, made possible through pollution control and treatment of wastes. This is an aim of the Federal Water Pollution Control Act, and the construction grant program is designed to promote immediate action.

It has been estimated that construction costing an average of \$575 million per year for the next 10 years, an increase of approximately 50 percent over the present annual average, to eliminate the huge backlog of construction needs, will be necessary if we are to have an adequate supply of water to meet our needs. The authorized \$50 million annual aid is infinitesimal in comparison to our needs and the urgency of the situation.

A failure to provide a sum commensurate with the Federal responsibility in this matter would be tantamount to putting our civilization in jeopardy. The States have been doing and will continue to do their part in sharing the financial burden of this undertaking. From 1956 to date, while Congress appropriated \$140 million for the past 3 years, contract awards for construction of sewage treatment facilities costing \$1,094 million were made by non-Federal public bodies.

There is no reason to think expenditures of this magnitude will not continue.

In consideration of all factors I feel an appropriation less than that made for the previous years would be indefensible.

Mr. METCALF. Mr. Chairman, I regret that the committee saw fit to delete from the budget request an item of \$150,000 for construction of animal quarters at the Public Health Service's Rocky Mountain Laboratory at Hamilton, Mont.

As you know, this fine laboratory has become a world center for the study of rickettsial diseases, of which Rocky Mountain spotted fever is one. Researchers there developed the first vaccine against spotted fever and one of the first against this whole group of diseases, which includes typhus.

Subsequently they learned much about how these diseases spread and how they could be controlled.

Scientists now are making progress on Colorado tick fever, brucellosis, encephalitis and tularemia. One study, in a new program of development and improvement of vaccines, is concerned with tuberculosis. There is existing evidence that it may be possible to produce a vaccine against tuberculosis by using specific parts of the tubercle bacilli. The laboratory, which you will recall was the sole wartime producer of the essential yellow fever vaccine, also is doing research on allergy.

Now all of these programs are slowed down by the inability of temporary and inadequate facilities for breeding and rearing the needed experimental animals, guinea pigs and rabbits.

Because of its location, in the Bitterroot Valley of western Montana, and because these animals are not commercially available in the immediate vicinity, and often not even in the general area, the laboratory must depend upon its own facilities.

An alternative, which has been used, is to ship needed experimental animals from Bethesda to Hamilton, a distance of some 2,400 miles. I submit that this is both uneconomic and inefficient. It is difficult at best. Some of these animals are lost in the shipping process. Some arrive sick. Some are affected by changes in air pressure and temperature encountered on their long trip.

A major contribution to the work of this fine laboratory on diseases of importance to the Northwest and to the Nation would be provision of facilities adequate to produce the animals necessary for their research.

At this time, I wish to compliment the committee for their general support of health, education, and welfare.

An example is Montana's experience with Federal aid to local communities for construction of pollution abatement facilities. The budget request was for \$20 million, a reduction of \$25 million below the appropriation this year.

Montana's allocation this year was \$512,475. Had the cut stood, our allocation for next year would have been \$206,570.

According to the executive officer of Montana's State Board of Health, Dr. G. D. Carlyle Thompson, who wrote me on March 5, all sewage treatment construction grants had been fully committed, with this year's grant being used by January 1, 1959.

Dr. Thompson continued:

In the 3 years of the program we have 34 projects that have been aided and stimulated through the grant program. Already in this fiscal year we have five communities with priorities with applications exceeding \$275,000 for which we lack funds. We know of planning in several communities which could result any day in applications being received where the priorities would be high, amounting to another \$350,000. At the present rate of financing we would expect another 4 or 5 years of programing in order to bring into existence treatment facilities in communities now dumping raw sewage, and improved facilities in communities now partially or inadequately treating.

We believe the Federal construction grant has materially assisted Montana in correcting sewage treatment problems. We feel that discontinuing the program would seriously delay accomplishing the balance of the job. \* \* \*

The job of obtaining proper sewage treatment in Montana is not yet half completed. We certainly are hoping that the program will continue so that there will be no interruption in steady progress which is now evident.

Part of the file on this program this year is a letter from Clayton V. Berg, of Helena, City-County Sanitarian, who wrote regarding benefits Montana's capital city has received from Federal aid in

sewage disposal facility construction. He also expressed the fear that, without continuation of this aid, Montana "stands a very good chance of losing what probably will be eventually her greatest asset—clean water."

A matter of record are statements in support of this program from the director of the Montana State Department of Fish and Game, mayors of several of our leading cities, the Montana Municipal League, and spokesmen for conservation and health groups.

Mr. GROSS. Mr. Chairman, I cannot support this bill, H.R. 6769, for the reason that it calls for spending \$53 million more than was appropriated for the same purposes in the present fiscal year and more importantly because it calls for the spending of \$158 million more than is provided in the budget for the coming fiscal year.

From what source is the money to be raised for this spending? Are the supporters of this bill advocating a tax increase or is it proposed that the Government borrow the money? Of course, there is no proposal that tax revenues be increased.

Congress will soon be confronted with legislation to increase the astronomical debt ceiling. This cannot go on indefinitely.

I have no doubt that there are many excellent programs and projects in this bill which involves a total of nearly \$4 billion, but in view of the financial condition of the U.S. Treasury this bill ought to have been held even below the budget figures.

Mr. Chairman, let the record show that if there is not to be a rollcall vote, I am opposed to this bill.

Mr. GEORGE P. MILLER. Mr. Chairman, our friends on the other side, the Republicans, have said that they stand for clean rivers and streams for all America. They differ from us, they say, only in how to go about doing the job.

The way they want to do it is to turn part of the telephone tax over to the States. They hope the States would take this money and build sewage-treatment plants to keep the poisonous pollution of our cities and industries from choking our rivers to death.

But they are not sure the States would do this. Why? Because there is no constitutional way to force a State to use funds in any particular way.

However, the program you are voting on today—the \$45 million grant to the States and cities and towns of the United States—this program is not only working fine but is completely constitutional.

There may be no better authority on the constitutionality of this program than the late Senator Robert A. Taft, of Ohio.

On August 22, 1947, in discussing a bill for stream pollution control he said that the proposed bill "provided a clear case for Federal interference."

I shall quote briefly the colloquy that ensued:

From a constitutional standpoint, as far as the river itself is concerned, there isn't any question about the Federal Government's interest. There is a constitutional

question as to how far the Federal Government is interested in the pollution of upper branches of the Ohio which are entirely within one State. If they undertook a general Federal control there might be some constitutional question.

However, what is proposed here is that the Federal Government simply cooperate with the State and, in the way of money, extend two assistances. The first would be assistance of 33½ percent for sewage-disposal works and other waste-control works undertaken by cities, municipalities, and public bodies. That is in the nature of a grant.

The other is loans—

Senator CHAVEZ (interposing). Does that go to the extent of technical assistance, or does it go to the extent of getting down to the plants themselves?

Senator TAFT. One-third of the actual cost of the plants. The State or city must put up two-thirds. I think it is not more than one-third. I think the Federal Security Administrator perhaps could make it less if he wished to, if the appropriations are not sufficient.

Senator MARTIN. Senator Taft, would those grants be somewhat along the model of the highway grants? Would there be any Federal supervision over the expenditure?

Senator TAFT. The Public Health Service, I think, has to approve the plans of any works in which aid is to be given; isn't that correct, Doctor?

Mr. Chairman, the late Senator Taft was a great constitutionalist. He saw no likelihood of weakening the States by the cooperative State-Federal sewage plant building program. Nor did he see any threat to our economy from the modest grants the Federal Government allotted to States.

Let us support the \$45 million grant item for sewage treatment plants so that our streams and rivers and lakes may once again adorn our country instead of degrading it. So that once again we can say with pride as Americans:

I love thy rocks and rills,  
Thy woods and templed hills.

Mr. McGOVERN. Mr. Chairman, there are many essential programs in the legislation before us. The security and well-being of the American people depend upon our continued support for these activities.

I believe that it is especially important that we maintain the full amount requested by the Committee on Appropriations for the Office of Education.

There has never been a time in American history when the education of our young people was so essential as it is today. The complex demands of the age offer a special challenge to the educational programs of the Nation.

I strongly urge the House to follow the recommendation of the committee in appropriating adequate funds to meet the full obligations under Public Laws 815 and 874. These two programs which provide funds for school operation and construction in federally impacted areas are essential. I am pleased that the committee is recommending sufficient funds to pay 100 percent of entitlements under the authorizing legislation. The committee recommendation would restore the 15-percent cut made by the Bureau of the Budget.

Last year, when the funds for this program were reduced, it soon became

clear that our federally impacted school areas would be placed in an impossible position. Only timely action by the Congress in this session in restoring the cuts saved these school districts from sharp reductions in their educational programs. It should now be clear that the committee recommendation is no larger than necessary for the proper operation of legislation authorized by the Congress and proved by experience.

To indicate the support for this program in my State, many educators wrote, wired, or telephoned their dismay over the cuts that were made last year. Following are some of the persons urging the supplemental appropriation which we passed successfully a few weeks ago:

Mr. M. L. Reynolds, superintendent of schools, Pierre, S. Dak.

Mrs. W. T. McIlravy, clerk, Buckeye School District No. 13, Pierre, S. Dak.

School board, Wahehe School District No. 83, Greenwood, S. Dak.

Mr. C. J. Fiedler, superintendent of schools, Peever Independent School District No. 3, Peever, S. Dak.

Mr. C. L. Lehman, superintendent, Edgemont Independent School District 27, Edgemont, S. Dak.

Mr. Glenn H. Frary, superintendent of schools, Hot Springs, S. Dak.

Mr. Bernard E. Aho, superintendent of schools, Piedmont, S. Dak.

Mr. Ross P. Korsgaard, superintendent of schools, Igloo, S. Dak.

Mr. O. K. Ehlers, superintendent, Smece Independent School District No. 4, Wakkala, S. Dak.

Mr. Gordon A. Aaland, superintendent of schools, Wagner, S. Dak.

Mr. E. E. Grunwald, superintendent of schools, Sturgis, S. Dak.

Mr. S. M. Stickdale, superintendent, Todd County Independent School District, Mission, S. Dak.

Mr. M. P. Livingston, president, board of education, Pickstown, S. Dak.

Wileta M. Hawkins, clerk, Dry Run School District No. 12, Pierre, S. Dak.

#### LIBRARY SERVICES

The legislation before us also includes funds needed for the continued operation of our rural library service. This program has been of inestimable value to the people of rural America. It does not cost a great deal of money and it returns great dividends in the form of broader understanding, cultural advancement and reading enjoyment for our rural citizens. I urge the approval of this much needed item.

#### PRACTICAL NURSE TRAINING

There is great need in the country today for additional numbers of trained practical nurses. This is a need which gives every indication of becoming more acute in the years ahead. Here again, we have a fund request that is small in size but big in the dividends that it will return to the health and well-being of our people.

#### EXPANSION OF TEACHING IN EDUCATION OF THE MENTALLY RETARDED

I am especially pleased that the Committee on Appropriations and the Budget Bureau have recommended a million dollars to carry out the program which

we enacted in the last Congress to benefit mentally retarded children.

As the sponsor of this program to expand the number of qualified teachers working with mentally retarded children, I know that it has widespread support throughout the country.

There are approximately 1 million mentally retarded youngsters in the United States who require specialized teaching if they are to become useful citizens. Unfortunately only about 15 percent of these children are given the opportunity to study under the direction of qualified teachers. The funds now being requested will begin a modest program designed to increase the number of specially trained teachers through grants to institutions of higher learning and to state educational agencies.

On next Saturday, I am to be the guest of the South Dakota Association for Retarded Children at their annual convention in Rapid City, S. Dak. This splendid association, whose current president is Mr. Laurie Larson of Sioux Falls, has performed an invaluable service to the people of South Dakota in providing understanding, public support, and facilities for the training of our mentally retarded children. I hope that I will be able to report to them that we have acted favorably on this modest request for funds to implement a most worthy program.

#### NATIONAL DEFENSE EDUCATIONAL ACTIVITIES AND VOCATIONAL EDUCATION

As one of the subcommittee members who drafted the National Defense Education Act passed by the last Congress, I, of course, hope that the Congress will approve the funds requested to carry on this program in the next fiscal year.

The activities authorized in this act have won the enthusiastic support of those interested in education across the Nation on a scale that goes beyond even the most optimistic hopes of those of us who drafted the program.

I urge my colleagues to grant the amount which this legislation calls for and to support also the funds requested for carrying on the time-tested programs in the field of vocational education.

Mr. LAIRD. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this is the fourth year I have had the privilege of serving on this subcommittee of the House Appropriations Committee. During this time I have become immensely impressed by several things to which I would like to call the attention of this body this morning.

First, I would like to mention the thoroughness with which the chairman and the members of this committee review the estimates of the various departments and agencies which are reviewed by our subcommittee. The Chairman has served as a member of this committee since 1946 and has been chairman for nine of these years. He has a great knowledge of these various programs. It is a pleasure to serve on this subcommittee.

I have enjoyed my association with the gentleman from Indiana, [Mr. DEN-  
TON] and the gentleman from Minne-



sota [Mr. MARSHALL]. I would particularly like to express my appreciation to the gentleman from Michigan [Mr. CEDERBERG], for his real help and counsel on this important appropriation bill.

Mr. Chairman, there are many programs in the Department of Health, Education and Welfare which are very dynamic in their aspects and which have a great deal of support throughout the United States, particularly here in the Congress. There are many Members of Congress who support these programs but they do not want to support them well enough to pay for them; they are willing to go along and talk about the fine programs but they are unwilling to face up to the cost and to the responsibilities which we all have of paying the bills for the benefits we receive from these programs in the fields of health, education, and welfare.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a comment?

Mr. LAIRD. I yield to my distinguished colleague.

Mr. HOFFMAN of Michigan. Is not that characteristic of our activities here? As long as a program is worthwhile, beneficial, and desirable, we do not even take a glance at the cost or the question of whether we can afford it.

Mr. LAIRD. I think that is true, and I do want to call it to the attention of the Congress and of the American people. I think the time has come when we should talk about cost as well as benefits. When we talk about benefits we also should talk about costs.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman, the programs of this Department are concerned with so many different aspects of our developing society that the budget cannot possibly remain static from one year to another. Changing circumstances demand that in some of the areas of responsibility of this Department additional protection or services be provided to the American people. Our problem is to determine whether there are other areas in which offsetting decreases can be made. And as the Nation grows in size and complexity and need for types of service which State and local governments are not readily able to provide, it is increasingly difficult to find these offsetting decreases.

Mr. Chairman, I am impressed with the fact that year after year approximately two-thirds of the budget of the Department of Health, Education, and Welfare is in a single appropriation over which the Appropriations Committee has virtually no control. More than \$2 billion goes for "Grants to States for Public Assistance." These funds are paid out on a formula basis, with an "open-end" appropriation, and constitute a clear obligation of the Federal Government. It would be idle to cut this appropriation, since it would only mean a supplemental appropriation next year.

And finally, I am impressed with the lack of flexibility and reducibility in the remainder of the budget of the Department of Health, Education, and Welfare. As is evident from the committee report

and the bill itself, there are more than 60 different appropriations, each for a specified purpose. Virtually every one of these appropriations is made in response to a specific law, carefully considered and enacted by the Congress. The large number of appropriations is thus a direct reflection of the number of separate programs which are of genuine and deep interest to the American people. When each is viewed in the context of the purposes which it is meant to serve, the opportunities for reducing the appropriations in any appreciable degree and still maintain the key services to the American people to which the Congress has committed itself are almost nonexistent.

Except for a limited number of items which I shall mention in a moment, I think the President submitted a carefully considered budget—a budget which we found was well and solidly built. The budget continues forward progress in the fields of labor, health, education and welfare to the American people. It provides for strengthening the enforcement of the pure food and drug laws, augmenting the programs for the vocational rehabilitation of the handicapped, promoting a broader attack on public health problems, and for increasing at numerous other key points the funds available for health, education, and welfare services. On the whole, therefore, I am convinced that the basic philosophy and approach of the President, as reflected in his budget, represents a sound recognition of the value of the contributions to the strength of this country represented by investments in our human resources.

I believe very deeply that the President is both courageous and right in his strong campaign to have the Federal Government set an example of financial integrity by balancing its budget in 1960. I believe that the 1960 budget should be balanced, and that the Congress must help the President achieve this objective.

I am supporting some of the increases recommended by the committee because I believe, with them, that sound investments in medical research and training will, in the long run, save the Government money in other ways, and increase the productivity and income of the Nation. In this respect, such expenditures are anti-inflationary, not, of course, in the specific year in which they are made, but in the long run. Medical research has made sufficient strides in recent years so that it seems eminently sensible to continue to increase our investment in this field. Certainly when we weigh even the off chance that we may achieve a significant breakthrough in discovering cures for such causes of human misery as heart disease, cancer, mental illness, nervous disorders, and numerous other illnesses, the expenditure of an additional \$50 million per year does not seem expensive. The committee report enumerates areas in which additional investments have been made over the past several years, many at the instigation of your committee. There is no doubt in my mind that these investments have been wise. I see no reason whatsoever to call a halt to our

continuing efforts to expand this important program.

Additional funds are included in this bill for grants to States and local communities for the construction of hospitals—the Hill-Burton Act. This, too, is an area in which the Federal Government can and should continue to bear its fair share of the cost of essential health facilities. Experience has demonstrated that if the Federal appropriation for this purpose is cut, the State and local appropriations and fundraising efforts by private groups decline correspondingly. We do not wish this to happen. The needs are great and the funds contained in this bill are, in my judgment, a reasonable Federal share toward meeting those needs. Your committee has recommended an increase of \$42,500,000 over budget which was submitted to us. This figure is higher than I think necessary but realizing the temper of this Congress for a higher figure I will support this compromise.

An increase is likewise contained in this bill to restore to the full annual level envisaged by Congress the program for grants for the construction of municipal sewage treatment works. This, too, is a program which was enacted over my objections. The administration plans to recommend that this program, together with funds released by modification of the Federal tax on telephone service, be turned over to the States for full operation. There is no doubt in the minds of those who have reviewed this program that it is serving an important purpose. Until the Congress has reviewed and acted upon the administration's recommendation for modification of the structure and financing of this program, a majority of the committee thought the Federal Government's share of the total should be financed as it has for the past 3 years.

Similarly, Mr. Speaker, a majority of the committee took the same position with respect to the program of Federal aid for schools in areas burdened by Federal activity. The administration has in mind, and will propose in the near future, certain amendments to Public Laws 815 and 874 which provide assistance to such areas of Federal impact. The administration has always heretofore taken the position that these two laws should be fully financed. Until the Congress has considered and acted upon the administration's recommendations, whatever they may be, your committee recommends that these two laws be fully financed in 1960. This action of the majority will require an addition of \$44 million over the budget estimate.

The committee report is in some respects critical of the Department of Health, Education, and Welfare for the budget justifications which it submitted, particularly with respect to the National Institutes of Health. Circumstances made some of the figures seem confusing, but I am convinced that there was no intent to mislead the committee. I should like to call particular attention to what I believe was a misunderstanding between the committee and witnesses of the Department of Health, Education, and Welfare. Testimony was given early

in the hearings to the effect that increased costs for research financed through the programs of the National Institutes of Health would amount to about \$5 million in 1960. Subsequently, a detailed analysis was made which showed that the increased costs for all of the programs of the National Institutes of Health, including the training programs, would probably be approximately \$15 million. It might be inferred from the committee report that the information provided in the initial instance was inaccurate or misleading information. This, I feel sure, was not the case. The \$5 million was concerned with the increased costs of research alone, whereas the \$15 million was concerned with the total functions of the National Institutes of Health. A substantial part of the discrepancy arises from this difference in terminology and a difference in understanding as to what the figures covered. I cite this to illustrate my conviction that the Department of Health, Education, and Welfare prepared its justifications in good faith. The fact that I did not reach the same conclusion as did the Department as to the amount of funds which should be appropriated to the National Institutes of Health should in no way be interpreted as a reflection upon the manner in which the Department handled its testimony and presented its justifications.

Mr. Chairman, I would like to insert at this point in the RECORD a letter from Dr. James Shannon addressed to the gentleman from Rhode Island [Mr. FOGARTY]:

APRIL 16, 1959.

HON. JOHN E. FOGARTY,  
House of Representatives,  
Washington, D.C.

DEAR MR. FOGARTY: Since our hearings before the House Subcommittee on Appropriations on April 7 through April 9, I have had an opportunity to read the February 20, 1959, testimony by Secretary Flemming relative to the increased cost involved in continuing certain NIH activities at the same levels in 1960 as in 1959.

I would like especially to call to your attention the fact that the Secretary's estimate of \$5 million for increased costs, shown on pages 24 through 26 of the published hearings, was in the context of research grants only and did not relate to the total of increased cost for all NIH activities. The figures which Dr. Van Slyke presented in his testimony of April 7th, on the other hand, which were developed at the request of your committee following Secretary Flemming's testimony, did cover the total of our activities. Included in Dr. Van Slyke's figures, totaling \$15 million, was the adjusted estimate of \$7 million for maintaining the program activity of research grants at the same level in fiscal year 1960 as in the present year. In each instance, of course, figures are approximations.

Sincerely yours,

JAMES A. SHANNON, M.D.,  
Director.

CONQUEST OF DISEASE—AMERICA'S MOST  
ESSENTIAL SCIENTIFIC ENDEAVOR

Mr. Chairman, last year when the Committee on Appropriations for the Departments of Labor and of Health, Education, and Welfare came to the floor of the House with its report, I rose to speak in support of the report and its recommendations. I said then that I was particularly interested in discussing

the increases proposed for the National Institutes of Health, which provided for a significant expansion of medical research.

Again this year I should like to address myself especially to the program of medical research support which our House committee report proposes.

I do so because I believe strongly that it is most essential for us to sustain and strengthen activities which lead to better health for the American people and permit us as a Nation to maintain leadership in medical research—a scientific field in which the United States is not behind any nation, but is the acknowledged leader. The funds spent on medical research will return greater dividends to our people than the vast appropriations made for missiles, space, and other research.

#### U.S.A.—WORLD LEADER IN MEDICAL RESEARCH

We can insure the maximum in medical progress. We can make our position secure as the world leader in medical research, if we continue to provide the necessary means for maintenance and growth of America's most essential scientific endeavor—the conquest of disease.

Therefore, I stand in support of the Committee's position on the appropriations for the National Institutes of Health. And I urge the Members of the House to confirm the committee's judgment that these appropriations should be at the \$344 million level for fiscal year 1960. This is \$50 million more than appropriated last year. It is sufficiently above last year's appropriations to give us a strong balanced research attack against the diseases that cripple and prematurely kill the people of the United States and other nations of the world.

Having served on this committee in the 83d, the 85th, and now in the 86th Congresses, I have naturally been deeply concerned with how these appropriations and the programs they represent affect the lives, well-being, social, and economic welfare of every American, since the funds provided are used for activities ranging from social security and education to health and medical research.

I have been deeply interested in medical research because it not only brings human benefits by giving better health to more people, but also means greater productivity and thereby, economic benefits to families and to the Nation as a whole. Moreover, I am concerned with medical research because I come from Wisconsin. Perhaps this deserves a word of explanation.

#### WISCONSIN'S LEADERSHIP IN RESEARCH

My State, I am proud to say, is a leader in medical and other fields of research. To mention one example—the discoveries that led to the life-saving drugs that prevent and help control blood clotting came from Wisconsin research.

In addition Wisconsin people recognize that research is a necessary step toward practical achievement, and our statesmen as well as our scientists have long been known for leadership in the growth and development of research. Many of you, perhaps, are thinking at this mo-

ment, as I am, of a man who, a decade and more ago, rose from this same floor to propose that the United States launch an all-out attack upon disease through research.

I am referring, of course, to the late Representative Frank B. Keefe of Wisconsin.

Some of you here had the privilege of knowing and working with him, and I know I need not dwell upon his inspired leadership and his vision.

I shall only mention a fact that should be well remembered: that Frank Keefe championed the launching of medical research as a truly nationwide effort assisted through public funds. He was chairman of the appropriations subcommittee when the decision to support research throughout the United States upon a large scale was first made. The present chairman, the Honorable JOHN E. FOGARTY of Rhode Island, was a member of that committee and has served continuously and with distinction ever since. It is now my privilege to occupy the position of ranking Republican.

Speaking of the promise of advances that are to come against such great killers and cripplers as heart disease, cancer, and mental illness, the largest newspaper of my home State, the Milwaukee Journal commented, "When the breakthroughs occur, the late Representative Frank B. Keefe (Rep., Oshkosh) will be entitled to much of the credit because of his persistent campaigning a decade ago for money for medical research."

I know the members of this House of Representatives would heartily concur with this tribute to Frank Keefe. It is in his tradition, and that of my State, that I recommend additional, strengthened medical research support for the coming year.

The Milwaukee Journal also said, in the same issue quoted above, that no Federal funds are being spent to better purpose and effect than those going into medical research. It also spoke of how benefits would flow "across the Nation and beyond, now and for generations to come." It is for such reasons, too, that I endorse this increase in the funds made available for medical research during the coming fiscal year.

Let me summarize very briefly some of the considerations that lead me to take this position.

#### WHY SUCH A BIG APPROPRIATION INCREASE THIS YEAR?

Among these considerations is the question of what progress is being made and what further effort is needed to guarantee progress in the future. Our committee inquired particularly into this and received, throughout the year as well as during our recent hearings, detailed reports that demonstrate convincingly the advances that are being made on many medical fronts and the opportunities that lie ahead. Furthermore, as was true of other members of the committee, I made it my business, through visits to research institutions and discussions with research scientists, to obtain firsthand knowledge and impressions of the kinds of work we are doing and supporting through the National Institutes of Health appropriations.

One cannot help being tremendously impressed with the competence and dedication of these men and women whose life work is devoted to the acquisition of new knowledge which will permit us, and our children, and our children's children to have better health.

There is not one of us who is unaware of the benefits which research in the medical sciences is already bringing us. Scarcely a day passes without some of them being reported in the daily press. Usually these press reports tell of the things that are being applied, or nearly ready for application, in prevention or treatment of disease to save or extend life. There are many, many other advances, however, of a more basic nature, which do not make the headlines. Yet these are occurring, too, and give confidence that new breakthroughs are coming, upon which new preventives and cures will be based.

There is no need to emphasize here the intense interest the people have in seeing medical research grow in quality and in dimension. This is, not merely something which the scientists desire, but which the public demands and vigorously supports.

This research in recent years has helped us become a stronger Nation through improvement of health and reduction of disease. We should never overlook this fact or take it for granted, although it is true that many diseases are dramatically reduced without our being fully aware of it.

To emphasize this point, I need only mention the long-ago victories over such illnesses as smallpox, typhoid, diphtheria, typhus, yellow fever, malaria, syphilis, and other infectious diseases. More recently, there have been great gains over dread diseases such as tuberculosis and polio. And even against the greatest killers, cancer and heart disease, there have been dramatic advances through surgery and drugs.

Yet these are only harbingers of future, greater conquests. We are making sure and steady steps forward in research in many fields against the chronic illnesses that are our biggest health—and a tremendous and growing economic—problem.

#### NEW MEDICAL FINDINGS OF 1958

During our recent hearings we learned of exciting research findings in each of the fields supported through the National Institutes of Health. Let me sketch a few of these, by way of illustration, in a sort of headline form. All of these illustrations, I should emphasize, are from new findings of just 1 year, 1958.

#### NATIONAL CANCER INSTITUTE

In the field of cancer:

New information on cancer viruses in animals continue to reinforce hope for preventive vaccines.

Cytologic screening program for uterine cancer succeeds; deserves expansion.

Needlelike probe helps detect brain tumors.

Anticancer drug research uncovering new agents of promise in cancer therapy.

#### NATIONAL HEART INSTITUTE

In heart disease:

New synthetic anti-coagulant found found unusually promising.

New blood-pressure lowering agents developed, improving management and treatment of high blood pressure.

Rheumatic heart disease and rheumatic fever fight gets new aid from new technique for quick diagnosis of strep germs.

Abnormal openings in heart walls detected by new technique.

#### NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

In allergy and infectious diseases:

New hormone shows high potency in treatment of allergic conditions.

Discovery of two new viruses responsible for much respiratory disease.

Probability of new and better vaccines for certain virus-caused respiratory illnesses increase.

#### NATIONAL INSTITUTE OF ARTHRITIS AND METABOLIC DISEASES

In arthritis and metabolic diseases:

Pain-killing drug at least 10 times more powerful than morphine synthesized.

Better treatment for gout discovered.

New oral antidiabetic drugs in use; others nearing application.

#### NATIONAL INSTITUTE OF DENTAL RESEARCH

In dental research:

Improved understanding of periodontal disease (of the gums).

Increasing success in development of techniques for transplantation of full-term molar teeth in animals.

#### NATIONAL INSTITUTE OF MENTAL HEALTH

In mental illness:

Each chemical step in breakdown of epinephrine (adrenalin) within the body described for first time.

New drug, structurally related to a tranquilizer, shows promise in treatment of depression.

New test for tranquilizing drugs avoids some disadvantages of earlier tests; may be useful in testing a variety of drugs.

#### NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS

In neurological diseases and blindness:

Anticoagulant therapy found helpful in early brain thrombosis and may prevent or postpone onset of threatening brain stroke.

Function restored to paralyzed diaphragm by surgical nerve substitution.

Major step in search for responsible factor in development of senile eye cataract comes in study of rabbit eyes which show chemical changes characteristic of the aging process.

I must stress, of course, that these are only examples, in capsule or headline form, taken almost at random from hundreds of illustrations presented to our Committee of the past year's progress in medical research supported through the appropriations of the National Institutes of Health. I have deliberately cited one or two from each of the several Institutes' programs for the purpose of indicating the complex range of problems being attacked and the wide scope of the progress being won.

Much more could be said, of course, about this progress. Yet I think enough has been mentioned to buttress my position that the outlook for greater advances is very bright indeed, if we continue to give wholehearted support to medical research according to the ability of scientists to use the funds effectively.

In the past several years the Congress has appropriated increasing funds to the Institutes, and the money has, I am convinced been well and fruitfully used. I believe we can rely on this record for assurance that increased funds provided for 1960 will be well used in the public interest. Our Committee will insist that the highest standards are used in passing on research grant applications.

The record of the current fiscal year shows that this has been true for the increases we voted last year for medical research, research training, and research construction. I would like to mention here that the building of medical research resources for the future is as essential as the support of current research. The research training programs of the National Institutes of Health provide for the development of skilled scientific manpower in the health sciences; and it is as important to the Nation to support this scientific training as it is in any field that can be named, such as nuclear physics or space science.

#### MEDICAL RESEARCH MANPOWER

On the score of manpower and of research studies, let me say that the essence of my endorsement of additional funds lies in a simple fact that can be very briefly stated:

There are brilliant young people ready to be trained for medical research; there is sound new work ready to be started by researchers of proved caliber; but there will not be enough money to provide for these investments in the future unless we increase this year's funds for the National Institutes of Health.

We have found solid evidence that the medical schools and universities, where research is carried out and scientists are trained, not only can use additional support well, but also must have it if they are to exploit the highly promising new leads uncovered in many fields and give training opportunities to those qualified for and deeply interested in obtaining them. We have found that we cannot expect, for fiscal year 1960, a desirable minimum of new research investigations unless the level of support is above the level for 1959. We have found also that there will undoubtedly arise this next year, as in the past, new areas of need and potential progress where greater and faster growth can be implemented by increases which, with available resources and timeliness of opportunity, form a combination that permits advances which otherwise would be postponed or lost.

It is upon such considerations that my endorsement of strengthened funds for medical research and training activities of the National Institutes of Health is based, together with my conviction that

such investment is sound national economy.

This is so because medical research is the avenue along which we must move if we are to decrease spending for the care and alleviation of disease, and because medical research is the road upon which we must march to achieve increased productivity of our people. Quite apart from humane considerations, these two factors justify our investing more in medical research than we are now doing.

We will not, of course, place these factors, the dollar marks as it were, above the humanitarian values which characterize our Nation's tradition. We can justly support a greater research attack upon disease for the human benefits alone which it will bring—the increased numbers of lives saved and extended, the untimely death and disability prevented, the individuals and families made healthier and happier.

Yet, even upon an investment-in-dollars basis alone, we can justifiably support the \$344 million appropriation recommended in this bill for the National Institutes of Health. The investment is small compared to the potential economic benefits which will come as medical research achieves new knowledge to bring the killing and crippling diseases of today progressively under control.

At the present time we have set up a highway trust fund. This highway trust fund has been established to pay the cost of our highway aid program throughout the United States. Certain use taxes were established to go into this particular trust fund to pay the cost of the highway construction program. I think it is about time in the field of medical research and public health that we established a health trust fund. I think we should find a way to levy a tax to pay for the cost of these health programs that we are presently enjoying so that we can place this program on a self-supporting basis. I believe that medical research in the public health field by the Federal Government is supported by a majority of our people; but I also hold the opinion that the people are willing to pay for the benefits they receive from these programs rather than pass the cost on to some future generation to pay for in the form of a still larger national debt.

#### DEPARTMENT OF LABOR

Mr. Chairman, in appropriating funds for an executive department, the Congress must consider not only the requirements of the statutes which the Department administers, but the effectiveness of its operations. The people of our country pay heavy taxes. They do not mind paying them to obtain needed services. They do, however, seriously object to unnecessary expenditures or waste through inefficiency.

It is therefore a special pleasure for me to be able to assure my colleagues and the people of our Nation that the budget for the Department of Labor for fiscal year 1960 is for needed services and that it will not be dissipated through inefficiency. The bill before us endorses the budget of the President for the Department of Labor for fiscal year 1960.

Your committee went over every item of expense with great care. We reduced the requests where justified, for example, by improvement in economic conditions which will lessen the need for unemployment insurance. We also found some areas in which savings could be effected for other reasons. We did not, however, cut funds for any essential services.

Our appropriation for the Department of Labor also takes account of the fact that James P. Mitchell is Secretary of Labor. We are satisfied that under his leadership the moneys will be wisely spent, and the country will get a dollar's worth of performance for every dollar expended.

The efficiency of the Department's operations under the Eisenhower administration supports and justifies the budget presented to the House at this time. That record is a proud one in the annals of our Government. It reflects the dedication of the President and his administration to the welfare of the working people.

If there are any questions on an item in this bill for the Department of Labor I will be glad to answer them now.

Mr. Chairman, I support this bill. I hope that we can send it on its way to the other body for consideration. I realize the temper of this Congress and I feel that perhaps this is the best bill that we can get through the House at this particular time.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I am delighted to yield to the distinguished gentleman from Ohio.

Mr. BOW. Can the gentleman give us some idea of the amount of funds in this bill for payment to impacted school areas within a radius of say 50 miles of the seat of Government, the District of Columbia?

Mr. LAIRD. Of the total amount of funds in this bill it would be almost one-quarter.

Mr. BOW. A quarter of the amount in this bill is actually used for the impacted school districts within the area to which I refer.

Mr. LAIRD. A 50-mile radius of the seat of Government, yes, I would think it that high. The boundaries you use are difficult to fix in my mind.

There has been a change in the law which puts Montgomery, Fairfax County and these nearby counties in a much higher category this year and last year than they were previously. They are receiving a greater amount of aid.

I happen to live in Montgomery County. My children go to school in Montgomery County. I pay the same property taxes as the man who happens to live next door to me who works in the District, in private business. But because I happen to be employed on Federal property, Montgomery County receives aid in addition to my real estate taxes for my children who are attending that school. The children of the man next door the county receives no aid.

The whole philosophy behind the impacted aid program, as I see it, was to provide funds for the particular school districts which were adversely affected

through the removal of property and who were affected in their school burden through the lack of their ability to tax people to provide local revenues to support the schools.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I am delighted to yield to the gentleman who represents one of the areas that does very well under this particular program.

Mr. BROYHILL. I would like to reverse the example the gentleman just used concerning Montgomery County, which is not one of my counties.

Mr. LAIRD. I saw the gentleman on the floor, and that why I used as an example Montgomery County.

Mr. BROYHILL. Will the gentleman agree that in the case of a resident of the District of Columbia working in Montgomery County on privately-owned property, Montgomery County does receive taxes on that privately-owned property, but on Federal property, where the District of Columbia resident works, Montgomery County does not receive any taxes?

Mr. LAIRD. That is right. The only difficulty involved in the example used by the gentleman from Virginia is that regardless whether the parent works on property that is off the tax rolls, or whether he works on property that is not even in the county, the same amount of aid is paid for his child. That is not and was not the purpose of this law.

Mr. BROYHILL. The gentleman will agree that Montgomery County should have some payment in lieu of taxes for federally owned property out there?

Mr. LAIRD. I would say for federally owned property and the children of people who are employed on the particular property, yes. But if the gentleman will go up to my congressional district or many other districts in the United States he will find that there are vast areas in national forests and recreational areas owned by the Federal Government. These whole areas are taken off the tax rolls, but there is no school aid for the children that live in these townships. In many of these areas there has not been a single cent of revenue even from the sale of timber.

Mr. BROYHILL. That probably does not create any expense to the local community for services.

Mr. LAIRD. The gentleman is wrong on that particular problem. We would like to be developed further. We would like additional trade. The people of your district in Virginia like to have the District of Columbia located near you. I do not think your area would have been developed to the extent it has if the District of Columbia had not been located right here.

This is what our committee report states on this problem:

The committee action on this (payments to school districts) and the preceding item (school construction assistance) reflects its feeling of responsibility to provide the affected school districts with the funds that Congress, by its action on the basic legislation last year, has led them to believe would be forthcoming. The committee recognizes that these school districts have planned the financing of their school

systems with the expectation that they would receive these funds. Thus, to make reductions now would be unfair and would certainly disrupt many educational programs. However, it is also the committee's belief that serious consideration should be given the basic legislation with a view to possible revision to remove from eligibility, or considerably reduce the entitlements of school districts in areas where it is highly questionable that the Federal activities have an adverse effect on the financing of the school system. The committee has in mind areas such as those around Washington, D.C., where children of parents who work on Federal property but pay local taxes that support the school system, just the same as do their neighbors who do not work on Federal property, are nonetheless included in the count of children for which Federal payments under the two programs are made.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to my friend the gentleman from Iowa.

Mr. GROSS. In other words, the gentleman has plenty of room in his district for some of the departments and agencies of Government that supply the payroll that they like in Virginia and over in Maryland. Is that correct?

Mr. LAIRD. I am sure they would be very anxious to have any of these buildings located there. The people of nearby Virginia and Maryland come around with this sad story after the location of facilities, but you should hear them howl when an attempt is made to close or curtail the operation of a Federal agency in their area.

Mr. GROSS. They would be the first to complain, the first to object, if we tried to disperse some of this Government out over the country, would they not?

Mr. LAIRD. I am sure the gentleman is correct.

Mr. GROSS. May I ask the gentleman a question concerning this White House Conference on the Aged? A considerable amount of money is being spent on that item, apparently. Can the gentleman tell me briefly what is accomplished at this conference, or by these conferences?

Mr. LAIRD. It is hoped that this conference—which has been proposed by the President, supported by the Secretary of Health, Education, and Welfare and approved by the Congress—will contribute much to the problems of the aged. I will insert at this point a fact sheet on this White House Conference:

FACT SHEET ON THE WHITE HOUSE CONFERENCE ON AGING

The law: By act of Congress, the first White House Conference on Aging was authorized, and President Eisenhower signed the measure into public law September 2, 1958. The act specifies that the Conference will be held in Washington, D.C., in January 1961.

Direction: Under direction of Health, Education, and Welfare Secretary Arthur S. Flemming, the HEW special staff on aging is laying the foundation for the Conference in cooperation with the Federal Council on Aging, which is composed of Cabinet-level representatives of interested Federal departments and agencies, and local and State government agencies and private groups and organizations interested in the field of aging.

Former Congressman Robert W. Kean, of New Jersey, has accepted chairmanship of the National Advisory Committee.

Secretary Flemming is expected to announce shortly the appointment of the full National Advisory Committee of outstanding citizens reflecting broad but expert viewpoints on the problems of the aging. This committee will have overall direction of the conference.

Planning: Congress has authorized but not as yet appropriated funds to provide grants from \$5,000 to \$15,000 to the States to help them finance the collection of facts about aging, conduct State and local conferences and develop recommendations for discussion at the 1961 conference.

The White House Conference will be preceded by a series of forums and conferences at local, State, and territorial levels. These activities are expected to stimulate a good deal of action and program development prior to the 1961 Conference.

Recommendations: The White House Conference on Aging, expected to draw a minimum of 2,500 delegates in January 1961, will make recommendations for a course of positive action in dealing with the problems of the aging. The congressional act requires the submission of a final report containing recommended action to the President not later than 90 days following the conclusion of the Conference.

Objectives: In authorizing the White House Conference on Aging, Congress declared "that the Federal Government shall work jointly with the States and their citizens to develop recommendations and plans for action \* \* \* which will serve the purposes of:

"1. Assuring middle-aged and older persons equal opportunity with others to engage in gainful employment which they are capable of performing, thereby gaining for our economy the benefits of their skills, experience, and productive capacities; and

"2. Enabling retired persons to enjoy income sufficient for health and for participation in family and community life as self-respecting citizens; and

"3. Providing housing suited to the needs of older persons and at prices they can afford to pay; and

"4. Assisting middle-aged and older persons to make preparation, develop skills and interests, and find social contacts which will make the gift of added years of life a period of reward and satisfaction and avoid unnecessary social costs of premature deterioration and disability; and

"5. Stepping up research designed to relieve old age of its burden of sickness, mental breakdown, and social ostracism."

Numbers involved: Between 1900 and 1950 the number of those aged 45 to 64 in the United States roughly tripled to 31 million, and those aged 65 and over quadrupled to 12 million. Present estimates are that today there are 15 million Americans 65 years and older, and that by 1975 this figure will climb to more than 20 million. Those aged 45 and older will be affected directly by the White House Conference, since their employment, health, housing, and retirement problems will be given consideration. Also the findings and recommendations of the Conference will have an impact on younger Americans, since they inevitably share in the responsibility, directly or indirectly, of supporting programs designed to add purpose and usefulness to the lives of senior citizens. They, too, eventually will grow older and benefit from programs recommended as the result of the White House Conference.

Preparation: A National Leadership Training Institute for the White House Conference on Aging to help States, communities, and national organizations in their planning for and in advance of the Conference will be conducted by the HEW Special Staff

on Aging June 24 through 26 at the University of Michigan. Representatives of other Federal departments and agencies, national organizations, and other private and public agencies having programs in the field of aging will assist in conducting the institute.

Mr. GROSS. The gentleman thinks that something worth while is being accomplished?

Mr. LAIRD. I hope so. I cannot predict what may come out of the conference, but I hope it will be a worthwhile conference. There has to be a lot of ground work done in the States and communities before it can be a success. I assure the gentleman that our committee will watch it closely.

Mr. GROSS. This is not the first time this conference has been held?

Mr. LAIRD. We have had State and local conferences on the aged, but we have never had a White House conference on the aged.

Mr. GROSS. I see that there is an appropriation of \$200,000 for a White House Conference on Children and Youth in 1960. Has that conference previously been held?

Mr. LAIRD. The White House Conference on Children and Youth has been held before. I believe it was held 10 years ago. The funds appropriated were authorized by the Congress. When the original bill was up the amount of authorization was drastically reduced, but this is in accordance with legislation passed by the Congress.

Mr. GROSS. Is not this going to be a permanent thing? They are establishing a secretary at a salary of \$16,500 a year. This is now bound to become a permanent thing.

Mr. LAIRD. It is not intended that this White House Conference will become a permanent agency of the Government.

Mr. GROSS. Does the gentleman suppose when this White House Conference on Children and Youth is held this year in Washington they will be advised of the \$286 billion debt we have in this country, and that there will be some discussion of how the children and youth of today, the citizens of tomorrow, are going to find the means of paying off this debt? Does the gentleman believe that will be discussed there?

Mr. LAIRD. I hope some discussion will be had on the basic economic problems of government and to paying for governmental benefits as we increase the costs. If we are going to have benefits from the Government, we have to be willing to pay the cost. I do not know personally whether that is on the agenda, but I am sure the gentleman's recommendation will be given real consideration by the people that are running the conference.

Mr. GROSS. I thank the gentleman. Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to my distinguished colleague, the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, my service on the subcommittee dealing with Departments of Labor and Health, Education, and Welfare appropriations is one of the most rewarding experiences I have enjoyed in the Congress. No other committee, to my knowledge, deals so comprehensively with so many of the

programs that directly affect almost every citizen in our country. I wish every Member of the Congress could sit in on our hearings, particularly when the Nation's leading medical scientists recount the breakthroughs they are making on every front in the never-ending fight on the most serious of human ailments. The combined accomplishments of these dedicated men make a fascinating story.

Our chairman, JOHN FOGARTY, has always been closely identified with these programs and has taken the deepest personal interest in the whole field of health activities and this personal devotion to the welfare of the American people is evident in the bill before you today. We know him as a conscientious and dedicated chairman always mindful of the wishes of his committee. My colleagues, WINFIELD DENTON, MELVIN LAIRD, and ELFORD CEDERBERG, have demonstrated a genuine interest in all of these programs and while we have minor differences of opinion, we know we share a common purpose in attempting to shape effective programs that meet the needs of the millions of people served daily by the Departments of Labor and Health, Education, and Welfare.

Many Members of the House have discussed Indian health activities of the Federal Government with me. I am pleased to report that steady progress is being made in this worthwhile work. Despite some shortcomings, we can say that the situation is constantly improving. Dr. Leroy Burney, Surgeon General of the Public Health Service, has shown a great deal of personal interest in this program. Your committee has worked closely with Dr. Burney, Dr. Shaw, and other members of the staff and we have been pleased with the spirit of cooperation of the Public Health Service based upon our mutual desire for aggressive and efficient efforts to improve the health of our Indian citizens. At times, in our hearings and reports and personal conversations, we have made suggestions in the interest of improving the organization and the services provided. The Public Health Service has taken a constructive attitude toward these suggestions and have adopted some which we both think have strengthened their work.

Indian health problems are not simple. There are no easy answers. In fact, these are the most difficult problems with which the Public Health Service must deal, in my opinion. The limited economic resources of Indian families and the inadequate standard of living create health problems of every kind. The Indian population is scattered over 250 reservations in 24 States and in several hundred villages of Alaska. Patients must travel long distances on foot, by cart or dogsled, by automobile or airplane. The health and medical services provided are often made more difficult and costly because of these circumstances.

The problems are real enough. Consider the fact that the Indian's average age at death is 39 compared to 61 for the rest of the population. Twenty-three percent of all Indian deaths occur among children under 1 year of age,

compared with only 7 percent in the general population.

When we speak of progress being made, we are speaking of human lives being saved. Tuberculosis was once the leading cause of death among Indian people. Within 3 years—1955-57—the tuberculosis death rate has been reduced by 24 percent outside Alaska. In Alaska, this death rate has been reduced by 63 percent since 1954. Indian deaths from gastroenteric diseases have been cut by more than 25 percent over the last 4 years.

To provide the kind of medical treatment and health services desperately needed by the Indians means that we must continue to develop hospital and clinical facilities in many parts of the country. I, for one, wish that progress could be made even more rapidly.

Last year when the bill was before us, the committee was much concerned over the delay in construction of four hospitals. We are pleased to report that the situation has improved. The construction contract has been awarded for a 200-bed medical center at Gallup, N. Mex., and the building is expected to be completed in November 1960. The contract for the 50-bed hospital at Kotzebue, Alaska, was awarded on January 30, 1959, and construction will be completed in December 1960. A new 75-bed hospital is under construction at Shiprock, N. Mex., and should be completed by December of this year.

Members will recall that funds were requested for a 50-bed hospital at Sells, Ariz. These funds are in the second supplemental appropriation bill and it is expected that the hospital will be ready for occupancy in October 1960.

The present budget makes provision to replace a 29-year-old hospital at San Carlos, Ariz., which is obsolete and completely inadequate to meet the needs of the 4,500 Indians it serves. Plans also call for replacing a hospital at Keams Canyon, Ariz., which serves the Hopi Indians.

One of the most serious problems facing the Public Health Service in providing medical and health services is inadequate housing for doctors and nurses. As housing improves, it is possible to relieve the critical shortage of doctors and nurses. In 1955, half of the hospitals had only one doctor who was on call around the clock 7 days a week. Now all hospitals except several of the smallest have at least two physicians.

Funds were requested for the construction of 32 new housing units. Our committee has been concerned about improving the situation at a faster pace and has included funds for 52 additional units. The locations of these units are listed on page 317 of the hearing. It would not be fair to imply that this will solve the whole housing problem. The program as suggested by the committee will barely help to keep us abreast of the housing that is deteriorating.

It will be recalled that a temporary housing operation was put into effect. Investigation has proven this to be both costly and unsatisfactory. Many still in use are shacks more than 40 years old without adequate sanitation, wiring,

heating, or sewage disposal facilities. By providing an additional \$1,500,000 for the specific purpose of easing the housing squeeze, the committee feels that economy will be best served in the long run since it will reduce per unit construction and maintenance costs.

Last year we made available \$1,750,000 as Indian matching funds in construction of community hospitals under the Hill-Burton Hospital Construction Act. This program made a good start last year. The Public Health Service feels that the carryover of funds will be sufficient to cover the projects planned for the next fiscal year. These funds are used only for the portion of the hospital specifically needed for Indians. The number of beds in most such hospitals is relatively small so that the share charged to Indians is also relatively small. Yet the program offers the prospect of real economies and permits Indians to be treated within their own communities and along with the general population. Experience so far has been very satisfactory but I hope that we can make even more progress in the future.

I want to direct the attention of the House to a problem we are encountering with regard to medical care for indigent Indians not living on reservations. Some States have a very good record of cooperation with the Federal Government in this matter. A few, unfortunately, deliberately avoid the responsibility of medical assistance for their Indian citizens, forcing them to return to the reservation in order to be eligible for Federal care.

The committee considered taking drastic steps to correct this situation such as barring any State which discriminates against its Indian citizens from receiving any Public Health Service grants. It would be entirely within the jurisdiction of the Congress to take such action since the Indian citizens are counted as part of the total population of each State and so qualify the States for a larger share of Federal funds under the various grant programs.

It was felt, however, that this remedy might be too drastic for immediate use so we discussed the matter with Public Health Service officials and urged them to work with the States concerned in correcting the situation. We hope prompt corrective action will be taken since it would be unfortunate to have to withhold Federal funds from States which need them. However, it is unfair to all citizens to permit any State to evade its responsibility through discrimination against Indians unable to pay their medical expenses. We have asked the Public Health Service to keep us advised of the progress made in this regard.

Mr. Chairman, in discussing Indian health activities, it is proper that we should pay tribute to the dedicated men and women in and out of the Public Health Service who are devoting their time and talents to serving the Indian citizens of our country. This spirit of dedication, more than anything else, gives us the hope that many of our most serious problems can and will be solved in the foreseeable future. These are the

people who live with the problem day in and day out and perform the countless works of mercy that cannot be cataloged. This is done without public recognition or public acclaim.

I had an opportunity to see personally some of the work being done by Creighton University in promoting medical care for Indians. I cannot praise too highly the contribution this great university is making to the welfare of Indian citizens. Its excellent staff and the finest specialists in medicine and surgery are assisting Indians. The spirit of cooperation between the university and the Public Health Service is in the best traditions of the medical profession in humanitarian causes. Creighton University justly deserves our highest commendation.

Insofar as Indian health funds in this bill are concerned, Mr. Chairman, I think they are adequate to support the steady progress we have made and must continue to make in this worthwhile effort. I wish we were making as much progress in meeting the economic and social problems of our Indian citizens as we are making in providing medical care. It is my feeling that the health program is a good one and that we are beginning to see results. This in itself will accelerate the rate of progress as more and more young doctors and nurses are attracted to a great humanitarian work that is interesting, informative, and inspirational. Money is necessary but this program, more than many others, depends for its ultimate success on the dedicated men and women who daily treat the ailments of their fellow citizens of Indian descent.

All of us have received letters from rural areas all over the country testifying to the success of the Library Services Act. Over 800 rural counties with more than 11 million people have new or improved library services available because of this act.

It is impossible to measure what this means in learning and recreation for adults and children who have been deprived of the precious resource of good books simply because they live in the less-populated parts of our country.

Hardly a day passes that we are not reminded of the great need for improving educational opportunities to meet the demands of the time in which we live. Our first President, George Washington, put it simply when he pointed out that democratic government makes special demands of its citizens:

In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

There is no greater contribution to education and to enlightened public opinion than a ready and free source of good books. Any measure that gives more people access to more books is an educational program of the first order. Children enrolled in smaller schools and living in rural communities should not be deprived of the opportunities enjoyed by their big city cousins. The growth and development of minds knows no geographical boundaries. We all know that there is no greater stimulation for

a child than an adequate and accessible supply of good books.

To insure the continued success of this program, your committee has again included \$6 million for grants to the States. Unobligated funds remaining at the end of the current fiscal year will make approximately \$7 million available overall for next year. The experience so far has been that State and local sources spend \$2 for every dollar of Federal grant, which again illustrates the enthusiasm with which this program has been received.

Another program of general interest to Members is the Water Pollution Control Act as administered by the Public Health Service. The bill includes \$45 million for grants for construction of waste treatment works.

We are all aware of the widespread concern over the future of our water supply. The rapid growth of population and industry in this country daily multiplies our problems of water supply and water pollution. Costs for sewage and industrial waste treatment works are increasing and many communities still find it difficult to build treatment plants.

Progress has been made since enactment of the Federal grant program in 1956. Up to January 1, 1959, grant offers had been made to 1,337 communities in the total amount of \$113.7 million. Together with \$481.3 million in local funds, this is resulting in the construction of waste treatment works costing \$595 million. Experience under this program to date therefore indicates that Federal grants represent approximately 20 percent of the cost of a project.

Another 673 approved applications are now pending so that if we had accepted the President's request we would be beginning the fiscal year with a 3½-year backlog if not another application was received.

The effort to protect our water supplies is part of the overall job of conserving our natural resources. Soil, water, and air are certainly the most essential and most basic resources we have. We need all of them. Money invested in protecting and conserving them is money invested in survival. The future cost of neglect in terms of both money and human life is almost beyond comprehension.

Some of the best-known parts of the bill before us, of course, are the sections dealing with appropriations for the National Institutes of Health. It is not my intention to discuss them in any detail since our chairman is everywhere recognized as the Congress' leading spokesman in this field. I do want to recommend, however, that every Member avail himself or herself of the opportunity to read the testimony we received from the Nation's leading medical men on the work of the Institutes. There is no more dramatic presentation of the fight against human suffering and of the hopes and fears we all share than the record of this testimony. Because each project is so readily translated into human terms, the program naturally receives sympathetic consideration.

This is not to imply that these items are not thoroughly scrutinized. The record of the hearing will witness the fact that these items are probably among those most thoroughly examined. Because every step forward is of such tremendous importance to millions of people, we are always anxious to know that the funds are being used for the most important research by the most competent scientists. This applies not only to the Institutes themselves but to the more than 700 non-Federal institutions which receive assistance in medical research and medical research training. While there are always differences of opinion over administrative operations and practices, the committee shares the high confidence demonstrated by the Congress in promoting these research activities.

The committee report adequately explains the difficulties we encountered in attempting to understand the original justifications and explanations received with the budget requests. We lost almost a month waiting for the administration to give us firm figures and understandable justifications. Finally, it was necessary to proceed on our own and to elicit the information we needed from the various Directors of the Institutes as they appeared. The fault was not with the scientists who are carrying on their vital work each day but with the administration "policymakers" who declined the opportunity of telling us what the policy was. Whether because of neglect or intent, the result was the same.

There is no better example of the value of research than in the field of mental health. As the result of new treatment developed by medical research, the number of mental hospital beds has been reduced by 43,000 over the past 3 years. This represents a saving of \$860 million. This year we are including \$60 million in the bill for the Institute of Mental Health.

Minnesota has generally been recognized as having one of the most progressive mental hospital programs in the country. Tranquilizing drugs were first introduced on a wide scale in Minnesota mental hospitals in 1955. In that year there were 11,524 patients in Minnesota State hospitals. This year there are 10,999 patients in the same hospitals, a reduction of 525 patients in 5 years. Since the average yearly cost of maintaining a mental patient in a Minnesota hospital is approximately \$1,200, this represents a saving of \$630,000 a year. Out of a total mental hospital budget of about \$15 million, this is a significant saving.

However, continued progress represents even greater savings in the future. Before the use of current treatments, the Minnesota mental hospital population was increasing at the rate of 200 per year. Over a 5-year period, this would require 1,000 additional beds. However, instead of an increase, the reduction of 525 patients meant an overall saving of 1,525 beds. Figured at the present cost of \$20,000 a bed, this is a saving of approximately \$30.5 million.

Minnesota, by keeping abreast of the latest developments in medical research,

has done a real service both to the patients involved and to the taxpayers of the State. This is an example of what I mean when I say that the return on the investment we are making in this important field far exceeds the initial appropriation.

The committee feels that the level of appropriations recommended in the bill before you is realistic and consistent with maintaining the rate of progress we are making against the diseases and ailments so costly to our people. The men and women who are being returned to work and who will be returned to work as a result of medical research, even apart from the human suffering alleviated or prevented, make this investment one of which the American people can be justly proud.

Physical and mental illness are costly not only to those who are suffering but to the Government itself. They are doubly costly because they often mean increased expenditures for medical care for those unable to provide it as well as loss of revenue from those unable to earn any income. While our primary concern is with the lives of people, we should not overlook the economic wastefulness of neglect in the area of preventable or curable human ailments.

If there are any errors of judgment in this bill, we can take comfort that they are made on the side of the universal desire to relieve the suffering of mankind.

Compared to the military budget which is still to come, the total bill before you today seems almost ridiculously low. Yet it directly affects every citizen of this country every day of their lives. Many, no doubt, wish that we could do more for one or another of the programs. The very times in which we live, however, impose limitations and demand self-restraint. Your committee offers it as a reasonably constructed budget that will serve us adequately in the year to come and that is within our ability to pay if we exercise the necessary frugality or less worthy undertakings.

Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from New York, a member of the Committee on Appropriations [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I wish to commend the gentleman from Rhode Island [Mr. FOGARTY], the chairman, for the wonderful work he has done in connection with the appropriation bill on Labor and Health, Education, and Welfare. I support this bill.

I note with regret, however, that the committee has reduced the appropriation for the control of tuberculosis to the extent of \$1,049,000 or a reduction of 16 percent as compared to the appropriation for the last fiscal year.

The Secretary of Health, Education, and Welfare attempts to justify this reduction on the supposition that the number of tuberculosis cases is falling off and that the States should be saddled with this expense. This problem is an interstate problem; many people coming into the State of New York come from adjoining States or from the Commonwealth of Puerto Rico. They are carry-

ing with them these germs which are causing a continuation of the tuberculosis condition.

While the number of cases nationwide has dropped, the number of tuberculosis cases has not dropped substantially in the city or State of New York. The number of cases in the city of New York has fallen from 11,364 in 1957 to 10,153 in 1958. The number of cases of tuberculosis in the part of my congressional district known as East Harlem has fallen from 437 in 1957 to 398 in 1958, or a reduction of 9 percent. Tuberculosis claimed 34 in 1958 as compared to 36 deaths in 1957 in my district. In order to combat this disease, I and other public officials have been traveling through the streets and byways of my district with a tuberculosis mobile unit, urging the public to take chest X-rays and to protect themselves against the ravages of this disease.

Cures are easy with today's antibiotics if a person learns early that he is affected. There is no need for suffering.

I know, as a member of the Appropriation Subcommittee on Agriculture, that we have eradicated tuberculosis in hogs and cattle. Can we do any less for human beings?

I urge that the Department of Health allocate more funds to the State of New York and to the city of New York, and especially to my congressional district, to combat this disease.

Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to the distinguished Delegate from Hawaii [Mr. BURNS].

Mr. BURNS of Hawaii. Mr. Chairman, on page 26 of H.R. 6769, lines 4 and 5, there is an item appropriating a maximum of \$1 million to the Territory of Hawaii for care and treatment of persons afflicted with leprosy or Hansen's disease.

This line item appropriation is in accordance with the provisions of Public Law 411, 1952, the intent and purpose of which was to reimburse Hawaii for expenditures made by Hawaii for care and treatment of Hansen's disease patients.

In 1957 I learned that the reimbursement funds by the Federal Government were falling \$200,000 per year behind the expenditures of Hawaii. On November 29, 1957, I wrote to the Hon. Marion B. Folsom, Secretary of the Department of Health, Education, and Welfare, drawing this matter to his attention. I pointed out that the intent and purpose of Public Law 411, 1952, was for the full reimbursement of operating expenditures, pointing out also that Hawaii assumes the burden of all capital expenditures.

On December 26, 1957, Secretary Folsom advised me that the matter had been drawn to his attention too late for consideration in the development of the formal budget presentation for fiscal 1959. I was informed that the Department of Health, Education, and Welfare would undertake a staff study timed for completion prior to the development of the 1960 budget. I received no further information on this matter, and on August 20, 1958, further inquiry was directed to the Honorable Arthur S. Flem-

ming, Secretary of Health, Education, and Welfare, who had replaced the Honorable Marion B. Folsom. In response to this letter, Secretary Flemming informed me, by letter dated September 6, 1958, that a staff study had been made and that its results showed that Federal payments fell short of covering the cost by about \$200,000. I was informed that this need was under consideration for inclusion in the President's estimate for 1960. The letter is as follows:

DEAR MR. BURNS: This refers to your inquiry of August 20, 1958, concerning our progress in the analysis of the adequacy of payments to the Territory of Hawaii for the care of patients afflicted with leprosy.

Our staff study on this subject has been completed and its results show that Federal payments fall short of covering the costs by about \$200,000, which is the amount estimated in your letter. At the present stage of the budget process this need is under consideration for inclusion in the President's estimate for 1960.

Thank you for your very kind wishes. They are particularly appropriate at a time when I am undertaking a new set of responsibilities. I hope all goes well with you and yours.

Sincerely yours,  
ARTHUR S. FLEMMING,  
Secretary.

Mr. Chairman, I find on checking H.R. 6769 that the line item for reimbursement to Hawaii for care and treatment of persons afflicted with leprosy calls for \$1 million instead of \$1,200,000. The extremely knowledgeable and very able chairman of the subcommittee, the Honorable JOHN FOGARTY, informs me that the matter was not drawn to the attention of the subcommittee and was not included in the budget for the Department of Health, Education, and Welfare as the Secretary of the Department of Health, Education, and Welfare indicated it would be.

The Federal Government has a distinct responsibility in this matter. It is my belief that this obligation should be met. I might point out that in connection with the Carville Leprosarium of Louisiana, the Federal Government assumes the full cost for the care and treatment of Hansen's disease patients, including capital expenditures.

It is my very real hope that before this bill is finally passed that the provisions relating to reimbursement to Hawaii will be amended so as to include the full amount rightfully due Hawaii.

Mr. Chairman, I join those who have commended the chairman and members of the Subcommittee on Appropriations for Health, Education, and Welfare whose dedication to the health and welfare of the people of the Nation and their posterity is guided by need and genuine charity—to the credit of all Americans.

Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, the \$1 million provided for in this bill to carry out the public health training activities at schools of public health, authorized by Public Law 85-544, is an important step forward in recognizing the Federal responsibility in this important field.



I congratulate the distinguished chairman of the subcommittee, the gentleman from Rhode Island [Mr. FOGARTY], the other able members of his subcommittee, and the full committee for voting the full amount authorized for this program and also for increasing the inadequate funds requested by the administration for other important programs affecting the health, well-being and strength of our people.

As the recent report of the National Conference on Public Health Training pointed out, there is much yet to be done to meet the critical shortages of trained public health personnel. There are more than 2,500 vacancies in official public health agencies alone, while thousands more require additional training to keep pace with modern techniques and new challenges in the public health field. In addition we as a Nation will need some 6,100 more specialized, trained public health workers within the next 5 years to meet demands for service due to population growth and new health hazards. This is double the present estimated number of graduates from schools of public health.

This program of Federal assistance to the public health schools will help meet this problem. But the full amount appropriated in this bill will actually meet less than one-third of the current annual deficit incurred by these schools in training students currently enrolled under sponsorship of some agency of the Federal Government.

Congress must soon face up to the overall problem of deficiencies in all phases of public health training. I trust that we will be able to meet these problems.

Mr. LAIRD. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, this is probably one of the most difficult appropriation bills that we have to contend with here in the Congress because it affects many of the vital areas in which we have a real human interest. When we start talking about the problems of the National Institutes of Health, hospital construction and so forth, of course, we feel that we want to make all the progress that is humanly possible in these areas. I trust no one will get the idea that any of these programs, proposed in this appropriation bill, are going to be damaged in any way because of a lack of appropriations. As a matter of fact, in my opinion, I believe we are trying to proceed too rapidly in many areas and far in advance of what research might provide in the way of results. We should never get the idea that dollars will necessarily produce results in these fields. I think we, as responsible Members of this body, are going to have to face certain economic facts of life. While I recognize we all have a very human interest in these programs, we also have a real economic and fiscal interest and responsibility as well. When we bring before this body an appropriation bill that increases the budget figures by some \$158 million then, as responsible legislators, we ought to be

willing to provide the necessary funds to pay the bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

	[Roll No. 35]	
Belcher	Holland	Rodino
Bush	Jackson	Rogers, Mass.
Cramer	Kilburn	Smith, Miss.
Davis, Tenn.	McDowell	Steed
Diggs	Magnuson	Teague, Tex.
Flynn	Mahon	Weaver
Gavin	Powell	Westland
Gialmo	Rains	Whitten
Gubser	Rivers, S.C.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6769, and finding itself without a quorum, he had directed the roll to be called, when 392 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Michigan has the floor.

Mr. CEDERBERG. Mr. Chairman, I hesitate to take further time on this bill because I recognize that the overwhelming majority of the membership are apprised of most of the parts of this bill. We hear from time to time from various organizations that have a very special interest, whether it be libraries, hospital construction, sewage treatment works, or whatever it may be. They apprise us of the situation as they see it.

As I was saying in my remarks previously, it seems to me that if we are going to go along with increases of \$158 million in the budget we had better be prepared to pay the bill. Very seldom do we find these organizations that advocate these increased expenditures state that they are willing to provide support to increase taxes to pay for the very services in which they have a special interest.

We have had very distinguished men appear before our subcommittee advocating tremendous increases for the National Institutes of Health. Who are we to dispute their authority in these matters? Certainly, they are great men in their field. But I asked one of these distinguished doctors, "What are we going to use to pay the bill? Would you advocate an increase in taxes or an increase in the national debt?"

The answer was something like this: What we should do is cut out some of the less essential services. So we would ask them what were the less essential services, and they would say that is up to the Congress to decide.

As far as I am concerned, we are going to have to meet this issue head-on.

As to some of the proposals in this bill, although I voted to report it, I have serious question as to whether the Fed-

eral Government ought to be in these activities. My personal opinion is, if there was ever an area in which there should be local responsibility, it is in taking care of local communities' sewage-treatment facilities. If that is a Federal responsibility, then, as far as I am concerned, we have gone all the way down the road of Federal participation in every area of our activities. I think we had better be very cautious about going forward too fast with many of these programs.

We have Federal aid to impacted areas. The original intent of that law, in my opinion, has been far exceeded. We have gone far afield from the original intent of that law. We have an ample illustration of that right in the vicinity of the Nation's Capital.

As these programs expand, we get into areas into which we never intended to go.

I say to you that I am disappointed that we present to you a bill with \$158 million. In view of these programs, which are heart rending, and which have much merit in many areas, we had better start as Members of this body to stand up and show the American people and tell them further that if they want these services they had better be ready to pay for them.

Mr. LAIRD. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I would first of all like to express appreciation on behalf of the people I represent in the Congress and compliment the committee on appropriating the full amount of the funds authorized by Public Laws 815 and 874.

It is most difficult for these school districts that are operating under very close budgets at best to operate efficiently when they do not know well enough in advance what percentage of these Federal payments they are going to receive. I must confess, however, that I was somewhat disappointed and concerned about the item contained in the report in regard to aid to impacted areas. I am not concerned about the fact that the committee felt we should review the program and reduce entitlements in areas that are not injured by the Federal impact. However, I am concerned about any statement to the effect that the area surrounding our Nation's Capital is not as much entitled to assistance from this program as are other areas in this great Nation of ours.

I can appreciate the fact that this is a very confusing law. I have no quarrel with my colleagues who do not experience the difficult of having federally impacted areas, and who, therefore, are not quite as sympathetic with our problems as we would like to have them be.

As I say, it is a confusing law. Some colleagues interpret it as a Federal handout to which many communities are not entitled. Others of us feel it is a payment in lieu of taxes, a formula by which the Federal Government can meet a portion of its obligations to the communities in which it is operating.

I submit the Washington area is one of the greatest areas of impact in numbers of employees. In fact, the children

of employees in our schools in the northern Virginia area exceed 50 percent of the enrollment. It is the greatest impact in percentage of Federal installations. I mean by that that in our area here the Federal Government is not only our principal industry but practically our only industry of any consequence.

If you took the steel industry off the tax rolls of the city of Pittsburgh there would be an economic problem created there. The same is true in Detroit. If the automobile industry were taken off the tax rolls, there would be a serious economic problem there.

Our Chamber of Commerce has tried to get other industries into the area to help absorb some of our tax load, but a community cannot support itself if all the industries and the places where the people earn their money are not subject to some form of local taxation. We would prefer the right to receive some taxes on this land that the Federal Government owns in our area even if it were only 50 percent of what private industry would be required to pay, if it were owned by private industry. In fact, if we were able to assess it at 50 percent, we would receive millions of dollars more than we would receive under this particular formula. But, I recognize the difficulty of having such a law created because some of this land, as was pointed out by the gentleman from Wisconsin, does not create any particular problem to the community. Then, in the case of the Pentagon building, many of the people working there do live in the District of Columbia and many other areas that have been absorbing some of this impact do not have any Federal installation. This formula provides a way for communities to meet some of these expenses created as a result of the Federal installation being in the area. One of the primary expenses created is for the education of the children of those employees who are working on nontaxable property. This impact assistance program in the minds of some of the people was supposed to be a temporary measure and they felt it was an emergency measure and eventually it would be eliminated. I submit that our area is continuing to grow and it is still an emergency problem. In Fairfax County, for example, we had 44,000 pupils in the schools out there last year. This current year, we have 48,000.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. LAIRD. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. BROYHILL. And we expect to have an additional growth of 5,000 students every year for the next 6 or 7 years. That is quite a financial burden to a community to provide additional schools to educate those children when their parents are working on nontaxable property.

On Thursday, 2 weeks ago, certain statements made by the Secretary for Health, Education, and Welfare before the Appropriations Committee were made public. The Secretary told the subcommittee of that group that a recommendation to deprive nearby Virginia and Maryland areas of impacted school

funds would be forthcoming during the current session of Congress.

Without in anywise detracting from Mr. Flemming's qualifications for the important office he holds in the administration, I confess to amazement at his apparent lack of knowledge of the intent of this Congress in enacting the impacted area assistance measures. He has either neglected his home work, been woefully misinformed or purposely, with inadequate information, seeks to weaken the assistance program voted by Congress over a period of the past decade as part of what Congress considers to be its obligation to communities impacted by reason of intensive Federal activity.

For example, the distinguished Secretary told the subcommittee, and I quote:

I am living in Montgomery County and I am working in the District of Columbia. Why under the sun, the Federal Government should give Montgomery County any money because I have two boys in the Bethesda-Chevy Chase High School, I just cannot understand.

Now, Mr. Chairman, that statement sounds reasonable as far as it goes. But the Secretary purposely, or otherwise, neglects to remind us that literally thousands of people living in the District of Columbia work in the Pentagon and in various other Federal installations in neighboring Maryland and Virginia. Yet their local government is the recipient of millions in Federal aid. This year the contribution of Uncle Sam totals \$22,504,450. As a matter of fact, up until recently, the annual payment made by the Federal Government to the District of Columbia has enabled the citizens of the District to enjoy a lower tax rate than citizens living in metropolitan area Maryland and Virginia communities. Time and again committees of the Congress have commented on this low rate of taxation at times when the local government was pressing for increased Federal assistance.

Please do not misunderstand me. I think the Nation's Capital is entitled to generous Federal aid because of the impact of Federal activities on this city. But by the same token, I believe, and the Congress has concurred, that nearby areas impacted to a lesser extent, are likewise entitled to a proportion of Federal aid consistent with the prevailing situation.

Strangely, Mr. Chairman, the Secretary of Health, Education, and Welfare directed his criticism at communities adjacent to the District of Columbia. Are we to assume that he favors impacted aid to many other communities in the United States adversely affected by unusual Federal Government activity? Are we to assume that he plans to grossly discriminate against the cities of Alexandria and Falls Church and the counties of Arlington, Fairfax, Montgomery, and Prince Georges? If so, Mr. Chairman, I submit that I for one am unwilling to accept this rank discrimination without a fight.

Whether he knows it or not, the impacted area program is simply an in-lieu-of-taxes program. Government installations—tax-free Government installations if you please—are located in my

district and in Maryland. If Uncle Sam paid taxes on these installations and the land he holds in nearby areas, the amount would be much greater than the \$7 million granted these areas for school maintenance and construction. The Congress recognizes the problem presented by this situation. It has assumed an obligation to help out rather than create a precedent by permitting local subdivisions to tax Government property. It is most heartening that the Senate and House have shown no disposition to favor the Secretary's disregard of a moral obligation to these areas.

It appears obvious from the Secretary's statement that he has no sympathy with the impacted area program as it applies to adjacent communities. It appears also that if he is successful in cutting off Federal funds to these communities he will eventually be successful in cutting off funds to all impacted areas in the United States including, perhaps, the Nation's Capital.

I submit, Mr. Chairman, that under the circumstances the impacted-area program, approved again and again by Congress, is in unfriendly hands. I respectfully suggest that Congress weigh the situation carefully to the end that we state emphatically the program is an in-lieu-of-taxes program and transfer its administration from the hostile hands of the Secretary of Health, Education and Welfare to the hands of the General Services Administration. Perhaps GSA will give greater consideration to the intent of Congress and provide the kind of administration we have a right to expect.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. FOLEY. I wish to associate myself with my colleague, the gentleman from Virginia [Mr. BROYHILL]. I am not sure whether I can go along with his removal of the administration of this program from Health, Education, and Welfare, but I agree with him 100 percent in his position, his statement of the justification for this program, and also in his conclusion that it is basically a payment in lieu of taxes.

Am I correct in understanding that the Secretary of Health, Education, and Welfare, who resides in my home county, misconceives the basic principles that give rise to the impacted area program? He has stated that because he works downtown for the Government and lives in Montgomery County, this program should not apply in his instance. Does he not forget that he was brought here by the Government, and his family came with him because of Government service, and that that is the basic underlying fact: That the attraction of thousands of people to this area by the Government justifies this program?

Mr. BROYHILL. The gentleman is absolutely correct in his observation. As I said a moment ago, we could reverse his example, considering the people living in the District of Columbia working in Montgomery County. Montgomery County receives taxes from the privately owned property on which this District of Columbia resident works but does not receive taxes from the Federal property

on which his next door neighbor may work, even though it is located in Montgomery County. However, under this current formula, Montgomery County would receive no assistance in lieu of taxes because the employee lived in Washington and his children attended District of Columbia schools. But when the Federal employee lives in Maryland and works in the District of Columbia, Montgomery is entitled to assistance.

Mr. FOLEY. This is basically a program in lieu of taxes.

Mr. BROYHILL. That is true. I am not so certain but that it is just as fair a formula as assessment on the land, because it is the expense created to the community as a result of Federal activity that causes the tax burden; not the land itself being taken off the tax rolls, because some of that could be wasteland. But it does create an expense to the community when property is taken off the tax rolls and a Federal installation is constructed which requires community services and necessitates community facilities be provided for the additional employees.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to remind the distinguished gentleman from Virginia that this is one of the policies carried on by the present administration. In redrafting the legislation my Committee on Education last year faced recommendations from the administration that we cut out all of this program except the category one. That is their policy. They cut down all appropriations in accordance with their program. What we have done here is to try to carry out our program. That is the only issue involved. The administration is against it.

Mr. BROYHILL. That is correct.

Mr. LAIRD. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise to read into the RECORD a magnificent tribute by an able commentator, Fulton Lewis, to Bill Cunningham, a great commentator and a great dedicated American who lost his voice as a result of throat cancer. We in Massachusetts are individually proud of him. I feel deep gratitude to the gentleman from Rhode Island [Mr. FOGARTY] the chairman of this subcommittee for his tireless fight for medical research work. Mr. Cunningham's suffering brings the necessity for this very close to us.

I do not see how anyone could refuse to want medical research to go on, especially in the case of cancer. Some of my colleagues know my tremendous interest in pushing the frontiers of this dreadful disease. I feel confident a breakthrough will be made by our scientists. Bill Cunningham would be happy if his experience could help others.

The testimonial I refer to reads as follows:

#### HUB TESTIMONIAL TERRILLS

WASHINGTON.—As a rule, I am a studious avoider of testimonial dinners. They are,

too often, a manifestation of the rah-rah element of professional civic do-goodism, inspired principally by the desire for a night out or a personal place in the sun.

The food is nyah, the speeches are tedious and too long, and the guest of honor, more likely than not, has had a gloved hand in the whole project from the beginning.

I have experienced one glorifying exception to the rule, however, in the recent affair put on in the gymnasium of Boston College for my distinguished colleague of newspaper and radio, Bill Cunningham; and most of the difference, I suppose, was the difference between Bill and his Doris, and the usual run of honorees.

This was billed as a "Salute to a Champion," and so it was.

For this Methodist Texas boy, who went to New England to make not a national but an international name for himself, was eulogized by a Cardinal of the Roman Catholic Church as one of the great Christian souls of these times. It was one of the most profoundly impressive performances within my memory.

It was a magnificent eulogy, which compared Bill Cunningham to St. Paul of old, who achieved strength out of his adversity, and leadership from his infirmities.

It was a speech that did good for the souls of the great and the near great, who had trekked there to Boston from every corner of the Nation, just for this occasion. It did good for them because they knew that what Richard Cardinal Cushing was saying was true. They knew that Bill Cunningham would go on to greater heights than ever, despite the fact that for the moment he sat there, silent and a little drawn-faced. It was only 7 months ago that Bill Cunningham's larynx was removed because of cancer. For one of the great radio commentators of the age, that can be a crushing blow, I'm sure it was to him, at first.

But it need not be so, and in his case I'm sure it will not be.

It is not the voice that counts. Voices, believe me, are a dime a million. I've seen them hire themselves to microphones and read copy into the ether waves, without the slightest idea of what they were saying.

The thing that matters—the only thing that matters—is the thinking behind the voice, and in the case of Bill Cunningham that has not been impaired in the slightest degree. Indeed, because of what he has been through, in his communions with his God in this ordeal, I know confidently that his is greater and wiser and more compassionate than ever.

Some years back, Bill Cunningham used to take over my own mike for me when I went on summer vacations. Invariably, when I returned to it, there was a tide of mail, commenting on his fighting material and praising his stalwart Americanism. I began to wonder, at times, whether Bill Cunningham was filling in for 4 weeks for me, or whether I was filling for the other 48 weeks for Bill.

But once again, that wasn't the voice. It was the things the voice had said. It was the fact this man had a massive courage and integrity, and a consuming devotion to the America that has allowed him to serve it.

It was the fact that Bill Cunningham always sought out the largest and most dangerous dragons to slay, while tinhorn imitators and opportunist fly-by-night with Madison Avenue promotion campaigns to build them up, slobbered doubletalk and gush to a synthetic public that existed only in synthetic listener ratings.

The 1,200 people who attended that Boston dinner did so not because Bill Cunningham can no longer speak, as he once did, but because a merciful and benign Providence had seen fit to spare him for the mind and the courage and the fidelity to principle that is his.

When it comes to voices, he has, after all, a considerable due-bill with me—with compound interest over the years. If he has need of a voice to express his thoughts in sound rather than on paper, he has mine for the mere beckon of a finger.

This was one testimonial dinner that was worth while.

Mr. LAIRD. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, forgetting that they asked for it, thousands of voters in the areas served by the Chicago Tribune have sent in clippings from the Tribune, protesting the fact that the recent and present legislative program of the Congress will continue to lessen the value and purchasing power of the savings, insurance, pensions, bonds, income, and social security of every individual who has any one of the six, and, it well might have added, increase the cost of living of everyone. And all must eat, have shelter and clothing. There are at least two reasons for this situation.

One is that Members of the Congress desire to be elected; hence, yield to the demands of individuals and pressure groups which demand the expenditure of Federal dollars. And there are no Federal dollars except those contributed by you, the taxpayers. Hence, the cost of your living goes up.

A second reason is that Members of Congress naturally wish to please, are sympathetic to suffering, are not averse—in fact, are very willing, as is everyone—to be helpful to their constituents, especially if they can do so through the use of someone else's dollars.

Basically, the fault for an ever-increasing public debt—more than \$280 billion, an annual interest charge, which buys nothing, of approximately \$8½ billion—is that of the people themselves—the members of those powerful pressure groups which demand additional millions for a desirable but unnecessary program and who threaten political reprisal if their demands are not granted.

The people asked for the legislation and the appropriations which caused the present situation against which they now so vigorously protest, although they did not realize what the result of the granting of their requests would be. The deplorable and ruinous course of spending more than we have will not end—get that—until the people cease their demands.

That they still continue to ask for more than we have can be demonstrated by stepping into any congressional office and looking at the mail or reading the propaganda put out by various groups.

At every election and in between, bitter, vitriolic protests come to me because so often I have voted against appropriations which, while desirable, could not be granted without adding to the public debt. I will not attempt to enumerate the demands. If you do any thinking, any listening or reading, you know some but probably not all of them. Of some you may have approved.

The possibility of another demand which will call for several additional million dollars which will add to the debt and deficit was disclosed by my colleague

of the Third Congressional District of Michigan, AUGUST E. JOHANSEN, because of testimony before the Committee on Post Office and Civil Service which brought the suggestion that it may not be long before Government workers are demanding a paid holiday on their birthday. If that seems absurd, far-fetched, and unlikely, just remember that a somewhat similar provision is already carried in some industrial contracts.

The March 1959 AFL-CIO Collective Bargaining Report suggests that each worker should on his birthday be granted a paid holiday, and this in addition to the pay granted for the already recognized holidays. Ninety percent of 1,736 major collective bargaining agreements provide for time and a half or double or premium pay for work on one or both days outside of the normal workweek. Seventy-five percent of the agreements specified Saturday as premium pay day.

If a paid holiday on a birthday, how about a holiday or double pay on each anniversary of a marriage? What about a holiday or double pay on the birthday of the first child? And are we to bypass the unmarried ones? And should there be a limit on the number of holidays?

If you think I am spoofing, send for Congressman JOHANSEN's newsletter of April 24. He is on the committee which heard the plea for a more liberal holiday policy for Government employees. He knows the facts.

Really, folks, do not put all the blame for the crushing public debt, the oppressive taxes, for the ruinous inflation accompanied by the high cost of living from which you are suffering, on the Congressmen. We try to please you. We try to do the right thing. But some of us have found it physically and mentally impossible to either travel or think in opposite directions at the same time.

Mr. FOGARTY. Mr. Chairman, I have no further requests for time.

Mr. LAIRD. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1960, namely:

TITLE I—DEPARTMENT OF LABOR

*Office of the Secretary*

Salaries and Expenses

For expenses necessary for the Office of the Secretary of Labor (hereafter in this title referred to as the Secretary), including payment in advance when authorized by the Secretary for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public; and purchase of uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); \$1,611,000, of which not more than \$232,485 shall be for international labor affairs and not to exceed \$2,000 shall be for official entertainment expenses.

*Office of the Solicitor*

Salaries and Expenses

For expenses necessary for the Office of the Solicitor, \$2,695,000.

*Bureau of Labor Standards*

Salaries and Expenses

For expenses necessary for the promotion of industrial safety, employment stabilization, and amicable industrial relations for labor and industry; performance of safety functions of the Secretary under the Federal Employees' Compensation Act, as amended (5 U.S.C. 784(c)) and the Longshoremen's and Harbor Workers' Compensation Act, as amended (72 Stat. 835); performance of the functions vested in the Secretary by title I of the Labor-Management Relations Act, 1947 (29 U.S.C. 159(f) and (g)) and by sections 8 (b) and (c) of the Welfare and Pension Plans Disclosure Act (72 Stat. 997); and not less than \$224,472 for the work of the President's Committee on National Employment the Physically Handicapped Week, as authorized by the Act of July 11, 1949 (63 Stat. 409); \$2,488,000: *Provided*, That no part of the appropriation for the President's Committee shall be subject to reduction or transfer to any other department or agency under the provisions of any existing law; including purchase of reports and of material for informational exhibits and expenses of attendance of co-operating officials and consultants at conferences concerned with the work of the Bureau of Labor Standards.

*Bureau of Veterans' Reemployment Rights*

Salaries and Expenses

For expenses necessary to render assistance in connection with the exercise of reemployment rights under section 8 of the Selective Training and Service Act of 1940, as amended (50 U.S.C. App. 308), the Service Extension Act of 1941, as amended (50 U.S.C. App. 351), the Army Reserve and Retired Personnel Service Law of 1940, as amended (50 U.S.C. App. 401), and section 9 of the Universal Military Training and Service Act (50 U.S.C. App. 459), and the Reserve Forces Act of 1955 (69 Stat. 598), \$592,000.

*Bureau of Apprenticeship and Training*

Salaries and Expenses

For expenses necessary to enable the Secretary to conduct a program of encouraging apprentice training, as authorized by the Acts of March 4, 1913 (5 U.S.C. 611), and August 16, 1937 (29 U.S.C. 50), \$4,047,000.

*Bureau of Employment Security*

Salaries and Expenses

For expenses necessary for the general administration of the employment service and unemployment compensation programs, including temporary employment of persons, without regard to the civil-service laws, for the farm placement migratory labor program; \$7,262,000, of which \$1,252,000 shall be for carrying into effect the provisions of title IV (except section 602) of the Servicemen's Readjustment Act of 1944.

Grants to States for Unemployment Compensation and Employment Service Administration

For grants in accordance with the provisions of the Act of June 6, 1933, as amended (29 U.S.C. 49-49n), for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, for grants to the States as authorized in title III of the Social Security Act, as amended (42 U.S.C. 501-503), including, upon the request of any State, the purchase of equipment, and the payment of rental for space made available to such State in lieu of grants for such purpose, for necessary expenses including purchasing and installing of air-conditioning equipment in

connection with the operation of employment office facilities and services in the District of Columbia, and for the acquisition of a building through such arrangements as may be required to provide quarters for such offices and facilities in the District of Columbia and for the District of Columbia Unemployment Compensation Board, subject to the same conditions with respect to the use of these funds for such purposes as are applicable to the procurement of buildings for other State employment security agencies, and for expenses not otherwise provided for, necessary for carrying out title IV of the Veterans' Readjustment Assistance Act of 1952 (66 Stat. 684) and title XV of the Social Security Act, as amended (68 Stat. 1130), \$315,819,000, of which \$15,000,000 shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments: *Provided*, That notwithstanding any provision to the contrary in section 302(a) of the Social Security Act, as amended, the Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State found to be in compliance with the requirements of the Act of June 6, 1933, and, except in the case of Puerto Rico, Guam, and the Virgin Islands, with the provisions of section 303 of the Social Security Act, as amended, such amounts as he determines to be necessary for the proper and efficient administration of its unemployment compensation law and of its public employment offices: *Provided further*, That such amounts as may be agreed upon by the Department of Labor and the Post Office Department shall be used for the payment, in such manner as said parties may jointly determine, of postage for the transmission of official mail matter in connection with the administration of unemployment compensation systems and employment services by States receiving grants herefrom.

In carrying out the provisions of said Act of June 6, 1933, the provisions of section 303(a)(1) of the Social Security Act, as amended, relating to the establishment and maintenance of personnel standards on the merit basis, shall apply.

None of the funds appropriated by this title to the Bureau of Employment Security for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States under title III of the Social Security Act, as amended, and under the Act of June 6, 1933, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under such title and under such Act of June 6, 1933, to be charged to the appropriation therefor for that fiscal year.

#### Unemployment Compensation for Veterans and Federal Employees

For payments to unemployed veterans and Federal employees, either directly or through payments to States, as authorized by title XV of the Social Security Act, as amended, and title IV of the Veterans' Readjustment Assistance Act of 1952, \$125,000,000.

Unemployment compensation for veterans and Federal employees, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States, as authorized by title XV of the Social Security Act, as amended, and title IV of the Veterans' Readjustment Assistance Act of 1952, such amounts as may be required for payment to unemployed veterans and Federal employees for the first quarter of the next succeeding fiscal year, and the obligations and expenditures thereunder shall be charged to the appropriation therefor for that fiscal year.

#### Compliance Activities, Mexican Farm Labor Program

For expenses necessary to enable the Department to determine compliance with the provisions of contracts entered into pursuant to the Act of July 12, 1951, as amended, \$873,000.

#### Salaries and Expenses, Mexican Farm Labor Program

For expenses, not otherwise provided for, necessary to carry out the functions of the Department of Labor under the Act of July 12, 1951 (65 Stat. 119), as amended, including temporary employment of persons without regard to the civil-service laws, \$1,336,700, which shall be derived by transfer from the farm labor supply revolving fund: *Provided*, That reimbursement to the United States under agreements hereafter entered into pursuant to section 502 of the Act of October 31, 1949, as amended (7 U.S.C. 1462), shall include all expenses of program operations except those compliance activities of the type separately provided for herein.

#### Bureau of Employees' Compensation Salaries and Expenses

For necessary administrative expenses and not to exceed \$102,000 for the Employees' Compensation Appeals Board, \$3,080,000, together with not to exceed \$51,700 to be derived from the fund created by section 44 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (33 U.S.C. 906).

#### Employees' Compensation Claims and Expenses

For the payment of compensation and other benefits and expenses (except administrative expenses) authorized by law and accruing during the current or any prior fiscal year, including payments to other Federal agencies for medical and hospital services pursuant to agreement approved by the Bureau of Employees' Compensation; continuation of payment of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the advancement of costs for enforcement of recoveries in third-party cases; the furnishing of medical and hospital services and supplies, treatment, and funeral and burial expenses, including transportation and other expenses incidental to such services, treatment, and burial, for such enrollees of the Civilian Conservation Corps as were certified by the Director of such Corps as receiving hospital services and treatment at Government expense on June 30, 1943, and who are not otherwise entitled thereto as civilian employees of the United States and the limitations and authority of the Act of September 7, 1916, as amended (5 U.S.C. 796), shall apply in providing such services, treatment, and expenses in such cases and for payments pur-

suant to sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C., App. 2012); such amount as may be required during the current fiscal year: *Provided*, That, in the adjudication of claims under section 42 of the said Act of 1916, for benefits payable from this appropriation, authority under section 32 of the Act to make rules and regulations shall be construed to include the nature and extent of the proofs and evidence required to establish the right to such benefits without regard to the date of the injury or death for which claim is made.

#### Bureau of Labor Statistics Salaries and Expenses

For expenses, not otherwise provided for, necessary for the work of the Bureau of Labor Statistics, including advances or reimbursement to State, Federal, and local agencies and their employees for services rendered, \$9,419,500.

#### Revision of the Consumer Price Index

For expenses necessary to enable the Bureau of Labor Statistics to revise the Consumer Price Index, including temporary employees at rates to be fixed by the Secretary of Labor without regard to the civil service laws and Classification Act of 1949, as amended, \$230,000, to remain available until June 30, 1964.

#### Women's Bureau Salaries and Expenses

For expenses necessary for the work of the Women's Bureau, as authorized by the Act of June 5, 1920 (29 U.S.C. 11-16), including purchase of reports and material for informational exhibits, \$509,000.

#### Wage and Hour Division Salaries and Expenses

For expenses necessary for performing the duties imposed by the Fair Labor Standards Act of 1938, as amended, and the Act to provide conditions for the purchase of supplies and the making of contracts by the United States, approved June 30, 1936, as amended (41 U.S.C. 35-45), including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, and not to exceed \$3,000 for expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Division, \$11,489,000.

This title may be cited as the "Department of Labor Appropriation Act, 1960".

#### TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

#### American Printing House for the Blind Education of the Blind

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101-105), \$400,000.

#### Food and Drug Administration Salaries and Expenses

For necessary expenses not otherwise provided for, of the Food and Drug Administration, including purchase of not to exceed twenty-five passenger motor vehicles for replacement only; reporting and illustrating the results of investigations; purchase of chemicals, apparatus, and scientific equipment; payment in advance for special tests and analyses by contract; and payment of fees, travel, and per diem in connection with studies of new developments pertinent to food and drug enforcement operations; \$13,800,000.

#### Salaries and Expenses, Certification, Inspection, and Other Services

For expenses necessary for the certification or inspection of certain products, and for the establishment of tolerances for pesticides, in accordance with sections 406, 408, 504, 506, 507, 604, 702A, and 706 of the

Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 346, 346a, 354, 356, 357, 364, 372a, and 376), the aggregate of the advance deposits during the current fiscal year to cover payments of fees for services in connection with such certifications, inspections, or establishment of tolerances, to remain available until expended. The total amount herein appropriated shall be available for purchase of chemicals, apparatus, and scientific equipment; expenses of advisory committees; and the refund of advance deposits for which no service has been rendered.

#### Freedmen's Hospital Salaries and Expenses

For expenses necessary for operation and maintenance, including repairs; furnishing, repairing, and cleaning of wearing apparel used by employees in the performance of their official duties; transfer of funds to the appropriation "Salaries and expenses, Howard University" for salaries of technical and professional personnel detailed to the hospital; payments to the appropriation of Howard University for actual cost of heat, light, and power furnished by such university; \$3,190,000: *Provided*, That no intern or resident physician receiving compensation from this appropriation on a full-time basis shall receive compensation in the form of wages or salary from any other appropriation in this title: *Provided further*, That the District of Columbia shall pay by check to Freedmen's Hospital, upon the Surgeon General's request, in advance at the beginning of each quarter, such amount as the Surgeon General calculates will be earned on the basis of rates approved by the Bureau of the Budget for the care of patients certified by the District of Columbia. Bills rendered by the Surgeon General on the basis of such calculations shall not be subject to audit or certification in advance of payment; but proper adjustment of amounts which have been paid in advance on the basis of such calculations shall be made at the end of each quarter: *Provided further*, That the Surgeon General may delegate the responsibilities imposed upon him by the foregoing proviso.

#### Gallaudet College Salaries and Expenses

For the partial support of Gallaudet College, including personal services and miscellaneous expenses, and repairs and improvements, as authorized by the Act of June 18, 1954 (Public Law 420), \$904,000: *Provided*, That Gallaudet College shall be paid by the District of Columbia, in advance at the beginning of each quarter, at the rate of \$1,295 per school year for each student attending and receiving instruction in elementary or secondary education pursuant to the Act of March 1, 1901 (31 D.C. Code 1008).

#### Construction

For alteration, renovation, and other improvement of buildings and facilities on the grounds of Gallaudet College, as authorized by the Act of June 18, 1954 (Public Law 420), under the supervision of the General Services Administration, including planning, architectural, and engineering services; and including \$150,000 for athletic fields; \$300,000, to remain available until expended.

#### Howard University Salaries and Expenses

For the partial support of Howard University, including personal services and miscellaneous expenses and repairs to buildings and grounds, \$4,617,000.

#### Plans and Specifications

For a survey of a steam and electrical production and distribution system, under

the supervision of the General Services Administration, on the grounds of Howard University, \$21,000.

#### Construction of Auditorium-Fine Arts Building

For payment of obligations incurred under authority previously provided, to enter into contracts for the construction of the auditorium-fine arts building, \$860,000.

#### Office of Education

##### Promotion and Further Development of Vocational Education

For carrying out the provisions of section 3 of the Vocational Education Act of 1946, as amended (20 U.S.C. 15j), and section 202 of said Act (20 U.S.C. 15bb), section 4 of the Act of March 10, 1924 (20 U.S.C. 29), section 1 of the Act of March 3, 1931 (20 U.S.C. 30), the Act of March 18, 1950 (20 U.S.C. 31-33), and section 9 of the Act of August 1, 1956 (20 U.S.C. 34), including \$4,000,000 for extension and improvement of practical nurse training, and \$180,000 for vocational education in the fishery trades and industry including distributive occupations therein, \$33,702,081: *Provided*, That the apportionment to the States under section 3(a), (1), (2), (3), and (4) of the Vocational Education Act of 1946 shall be computed on the basis of not to exceed \$30,367,081 for the current fiscal year: *Provided further*, That the amount of allotment which States and Territories are not prepared to use may be reapportioned among other States and Territories applying therefor for use in the programs for which the funds were originally apportioned.

##### Further Endowment of Colleges of Agriculture and the Mechanic Arts

For carrying out the provisions of section 22 of the Act of June 29, 1935, as amended (7 U.S.C. 329), \$2,501,500.

#### Grants for Library Services

For grants to the States pursuant to the Act of June 19, 1956, as amended (20 U.S.C. 351-358), \$6,000,000: *Provided*, That the amount of any State's allotment from this appropriation which such State certifies will remain unpaid to it on June 30, 1961, may be reallocated by the Commissioner among other States applying therefor in proportion to their rural population, and deemed part of such allotments, except that no State's allotment shall be so increased as to exceed the allotment which would be made to it were this appropriation equal to the maximum authorized under such Act.

#### Payments to School Districts

For payments to local educational agencies for the maintenance and operation of schools as authorized by the Act of September 30, 1950, as amended (20 U.S.C., ch. 13), \$163,957,000: *Provided*, That this appropriation shall also be available for carrying out the provisions of section 6 of such Act.

#### Assistance for School Construction

For an additional amount for providing school facilities and for grants to local educational agencies in federally affected areas, as authorized by the Act of September 23, 1950, as amended (20 U.S.C., ch. 14), including not to exceed \$1,000,000 for necessary expenses during the current fiscal year of technical services rendered by other agencies, \$61,135,000, to remain available until expended: *Provided*, That no part of this appropriation shall be available for salaries or other direct expenses of the Department of Health, Education, and Welfare.

#### Defense Educational Activities

For grants, loans, and payment under the National Defense Education Act of 1958 (72 Stat. 1580-1605), \$150,000,000, of which \$30,000,000 shall be for capital contributions to student loan funds; \$1,000,000 shall be for loans for non-Federal capital contribu-

tions to student loan funds; \$60,000,000 for grants to States and loans to nonprofit private schools for science, mathematics, and modern language teaching facilities and \$4,000,000 for grants to States for supervisory and other services; \$7,000,000 for grants to States for area vocational education programs; and \$15,000,000 for grants to States for testing, guidance, and counseling.

#### Expansion of Teaching in Education of the Mentally Retarded

For grants to public or other nonprofit institutions of higher learning and to State educational agencies, pursuant to the Act of September 6, 1958 (72 Stat. 1777), \$1,000,000.

#### Salaries and Expenses

For expenses necessary for the Office of Education, including surveys, studies, investigations, and reports regarding libraries; coordination of library service on the national level with other forms of adult education; development of library service throughout the country; purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; and cooperative research, surveys, and demonstrations in education as authorized by the Act of July 26, 1954 (20 U.S.C. 331-332); \$12,800,000, of which not less than \$550,000 shall be available for the Division of Vocational Education as authorized.

#### Office of Vocational Rehabilitation

##### Grants to States

For grants to States in accordance with the Vocational Rehabilitation Act, as amended, \$51,900,000, of which \$50,400,000 is for vocational rehabilitation services under section 2 of said Act; and \$1,500,000 is for extension and improvement projects under section 3 of said Act: *Provided*, That allotments under section 2 of said Act to the States for the current fiscal year shall be made on the basis of \$59,500,000, and this amount shall be considered the sum available for allotments under such section for such fiscal year.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, grants to States under sections 2 and 3 of the Vocational Rehabilitation Act, as amended, for the first quarter of the next succeeding fiscal year such sums as may be necessary, the obligations incurred and the expenditures made thereunder to be charged to the appropriation therefor for that fiscal year: *Provided*, That the payments made pursuant to this paragraph shall not exceed the amount paid to the States for the first quarter of the current fiscal year.

##### Research and Training

For research, training, and traineeships, and other special project grants, pursuant to section 4 of the Vocational Rehabilitation Act, as amended, for carrying out the training functions provided for in section 7 of said Act, and for expenses of studies, investigations, demonstrations, and reports, and of dissemination of information with respect thereto pursuant to section 7 of said Act, \$12,500,000.

##### Salaries and Expenses

For expenses, not otherwise provided for, necessary in carrying out the provisions of the Vocational Rehabilitation Act, as amended, and of the Act approved June 20, 1936 (20 U.S.C., ch. 6A), as amended, \$1,738,000.

#### Public Health Service

For necessary expenses in carrying out the Public Health Service Act, as amended (42 U.S.C., ch. 6A) (hereinafter referred to as the Act), and other Acts, including expenses for active commissioned officers in the Reserve Corps and for not to exceed one thousand nine hundred commissioned officers in the Regular Corps; and for expenses of primary and secondary school of dependents, in for-

eign countries, of Public Health Service personnel stationed in foreign countries, in amounts not to exceed an average of \$250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Act at rates established by the Surgeon General not to exceed \$15,000 per annum; as follows:

##### Assistance to States, General

To carry out the purposes, not otherwise specifically provided for, of section 314(c) of the Act; to provide consultative services to States pursuant to section 311 of the Act; to make field investigations and demonstrations pursuant to section 301 of the Act; to provide for collecting and compiling mortality, morbidity, and vital statistics; and not to exceed \$1,000 for entertainment of officials of other countries when specifically authorized by the Surgeon General; \$22,497,000.

##### Control of Venereal Diseases

To carry out the purposes of sections 314 (a) and 363 of the Act with respect to venereal diseases and for grants of money, services, supplies, equipment, and use of facilities to States, as defined in the Act, and with the approval of the respective State health authorities, to counties, health districts, and other political subdivisions of the States, for venereal disease control activities, in such amounts and upon such terms and conditions as the Surgeon General may determine; \$5,400,000.

##### Control of Tuberculosis

To carry out the purposes of section 314 (b) of the Act, \$5,452,000, of which not less than \$3,000,000 shall be available only for grants to States, to be matched by an equal amount of State and local funds expended for the same purpose, for direct expenses of prevention and case-finding projects including salaries, fees, and travel of personnel directly engaged in prevention and case-finding and the necessary equipment and supplies used directly in prevention and case-finding operations, but excluding the purchase of care in hospitals and sanatoriums.

##### Communicable Disease Activities

To carry out, except as otherwise provided for, those provisions of sections 301, 311, and 361 of the Act relating to the prevention and suppression of communicable and preventable diseases, and the interstate transmission and spread thereof, including the purchase, erection, and maintenance of portable buildings; purchase of not to exceed three passenger motor vehicles for replacement only; and hire, maintenance, and operation of aircraft; \$8,015,000.

##### Sanitary Engineering Activities

For expenses, not otherwise provided, necessary to carry out those provisions of sections 301, 311, 314(c), and 361 of the Act relating to sanitation and other aspects of environmental health, including enforcement of applicable quarantine laws and interstate quarantine regulations, and for carrying out the purposes of the Acts of July 14, 1955 (42 U.S.C. 1857-1857f), and July 9, 1956 (33 U.S.C. 466-466d, 466f-466k), including \$2,700,000 for grants to States and \$300,000 for grants to interstate agencies; purchase of not to exceed four passenger motor vehicles for replacement only; hire, maintenance, and operation of aircraft; and purchase, erection, and maintenance of portable buildings; \$14,590,000 to remain available only until June 30, 1960.

#### Grants for Waste Treatment Works Construction

For payments under section 6 of the Water Pollution Control Act, as amended (33 U.S.C. 466e), \$45,000,000, to remain available only until June 30, 1961: *Provided*, That allotments under such section 6 for the current fiscal year shall be made on the basis of \$50,000,000.

#### Grants for Hospital Construction

For grants and loans under parts C, D, and G, title VI, of the Act, as amended, \$143,700,000, of which \$121,500,000 shall be for hospitals and related facilities pursuant to part C, \$1,200,000 shall be for the purposes authorized in section 636 of part D of the Act, and \$21,000,000 shall be for facilities pursuant to part G, as follows: \$6,500,000 for diagnostic or treatment centers, \$6,500,000 for hospitals for the chronically ill and impaired, \$4,000,000 for rehabilitation facilities, and \$4,000,000 for nursing homes: *Provided*, That allotments under such parts C and G to the several States for the current fiscal year shall be made on the basis of amounts equal to the limitations specified herein.

#### Salaries and Expenses, Hospital Construction Services

For salaries and expenses incident to carrying out title VI of the Act as amended, \$1,604,000.

#### Hospitals and Medical Care

For carrying out the functions of the Public Health Service under the Act of August 8, 1946 (5 U.S.C. 150), including \$2,167,000 to be available only for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act (37 U.S.C. ch. 7), and under sections 321, 322, 324, 326, 331, 332, 341, 343, 344, 502, 504, and 810 of the Public Health Service Act, Private Law 419 of the Eighty-third Congress, as amended, and Executive Order 9079 of February 26, 1942, including purchase and exchange of farm products and livestock; conducting research on technical nursing standards and furnishing consultative nursing services; purchase of not to exceed eight passenger motor vehicles for replacement only; and purchase of firearms and ammunition; \$45,600,000, of which \$1,000,000 shall be available only for payments to the Territory of Hawaii for care and treatment of persons afflicted with leprosy: *Provided*, That when the Public Health Service establishes or operates a health service program for any department or agency, payment for the estimated cost shall be made in advance for deposit to the credit of this appropriation.

#### Foreign Quarantine Activities

For carrying out the purposes of sections 361 to 369 of the Act, relating to preventing the introduction of communicable diseases from foreign countries, the medical examination of aliens in accordance with section 325 of the Act, and the care and treatment of quarantine detainees pursuant to section 322(e) of the Act in private or other public hospitals when facilities of the Public Health Service are not available, including insurance of official motor vehicles in foreign countries when required by law of such countries, \$4,460,000.

#### Indian Health Activities

For expenses necessary to enable the Surgeon General to carry out the purposes of the Act of August 5, 1954 (42 U.S.C. 2001) (including not to exceed \$10,000 for temporary services at rates not to exceed \$100 per diem for individuals, when authorized by the Surgeon General); purchase of not to exceed thirty passenger motor vehicles, of which twenty shall be for replacement only; hire of passenger motor vehicles and aircraft; purchase of reprints; payment for telephone service in private residences in the

field, when authorized under regulations approved by the Secretary; and the purposes set forth in sections 321, 322(d), 324, and 509 of the Public Health Service Act; \$45,500,000.

#### Construction of Indian Health Facilities

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites; purchase and erection of portable buildings; and purchase of trailers; \$4,587,000, to remain available until expended: *Provided*, That such expenditures may be made through the Department of the Interior at the option of the Secretary of the Department of Health, Education, and Welfare: *Provided further*, That the unexpended balance of appropriations heretofore granted under this head shall be merged with this appropriation.

#### General Research and Services, National Institutes of Health

For the activities of the National Institutes of Health, not otherwise provided for, including research fellowships and grants for research projects and training grants pursuant to section 301 of the Act; regulation and preparation of biologic products, and conduct of research related thereto; and grants of therapeutic and chemical substances for demonstrations and research; \$36,404,000: *Provided*, That funds advanced to the National Institutes of Health management fund from appropriations included in this Act shall be available for purchase of not to exceed fifteen passenger motor vehicles for replacement only; not to exceed \$2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General; and erection of temporary structures: *Provided further*, That all appropriations made to the Public Health Service in this Act, and available for research or training projects, may be expended pursuant to contracts made on a cost or other basis for supplies and services, including indemnification of contractors to the extent and subject to the limitations provided in title 10, United States Code, section 2354, except that approval and certification required thereby shall be by the Surgeon General.

#### National Cancer Institute

To enable the Surgeon General, upon the recommendations of the National Advisory Cancer Council, to make grants-in-aid for research and training projects relating to cancer; to cooperate with State health agencies, and other public and private nonprofit institutions, in the prevention, control, and eradication of cancer by providing consultative services, demonstrations, and grants-in-aid; and to otherwise carry out the provisions of title IV, part A, of the Act; \$83,308,000.

#### Mental Health Activities

For expenses necessary for carrying out the provisions of sections 301, 302, 303, 311, 312, and 314(c) of the Act with respect to mental diseases, \$60,409,000.

#### National Heart Institute

For expenses necessary to carry out the purposes of the National Heart Act, \$52,744,000.

#### Dental Health Activities

For expenses not otherwise provided for, necessary to enable the Surgeon General to carry out the purposes of the Act with respect to dental diseases and conditions, \$9,725,000.

#### Arthritis and Metabolic Disease Activities

For expenses necessary to carry out the purposes of the Act relating to arthritis, rheumatism, and metabolic diseases, \$37,790,000.

#### Allergy and Infectious Disease Activities

For expenses, not otherwise provided for, necessary to carry out the purposes of the Act relating to allergy and infectious diseases, \$30,286,000, of which \$150,000 shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory.

#### Neurology and Blindness Activities

For expenses necessary to carry out the purposes of the Act relating to neurology and blindness, \$33,613,000.

#### Grants for Construction of Health Research Facilities

For grants pursuant to the Health Research Facilities Act of 1956, as amended by the Act of August 27, 1958 (72 Stat. 933), \$30,000,000.

#### Research Facilities Construction and Site Acquisition

For the acquisition of a site for research facilities for large animals, including repairs, alterations, and construction of auxiliary facilities and temporary buildings, \$150,000, to remain available until expended.

#### Operations, National Library of Medicine

For expenses, not otherwise provided for, necessary to carry out the National Library of Medicine Act (42 U.S.C. 275), \$1,566,000.

#### Retired Pay of Commissioned Officers

For retired pay of commissioned officers, as authorized by law, and payments under the Uniformed Services Contingency Option Act of 1953, such amount as may be required during the current fiscal year.

#### Salaries and Expenses

For the divisions and offices of the Office of the Surgeon General and for miscellaneous expenses of the Public Health Service not appropriated for elsewhere, including preparing information, articles, and publications related to public health; and conducting studies and demonstrations in public health methods, \$5,816,000.

#### Saint Elizabeths Hospital

#### Salaries and Expenses

For expenses necessary for the maintenance and operation of the hospital, including clothing for patients, and cooperation with organizations or individuals in the scientific research into the nature, causes, prevention, and treatment of mental illness, \$3,715,000.

#### Major Repairs and Preservation of Buildings and Grounds

For miscellaneous construction, alterations, repairs, and equipment, on the grounds of the hospital, including preparation of plans and specifications, advertising, and supervision of construction, \$330,000, to remain available until June 30, 1961.

#### Social Security Administration

#### Limitation on Salaries and Expenses, Bureau of Old-Age and Survivors Insurance

For necessary expenses, including the purchase of two passenger motor vehicles, not more than \$191,600,000 may be expended from the Federal old-age and survivors insurance trust fund: *Provided*, That such amounts as are required shall be available to pay the cost of necessary travel incident to medical examinations for verifying disabilities of individuals who file applications for disability determinations under title II of the Social Security Act, as amended: *Provided further*, That \$10,000,000 of the foregoing amount shall be apportioned for use pursuant to section 3679 of the Revised Statutes as amended (31 U.S.C. 665), only to the extent necessary to process claims workloads not anticipated in the budget estimates and after maximum absorption of the costs of such claims workload within the existing limitation has been achieved: *Provided further*, That persons who have been

admitted to practice before a Federal or State court of record who have had a minimum of three years' experience in the adjudication or consideration of claims for retirement, survivors, or disability benefits may be temporarily appointed by the Commissioner of Social Security to hold hearings under title II of the Social Security Act, as amended, but such temporary appointments shall terminate not later than December 31, 1960: *Provided further*, That no person shall hold a hearing in any case with which he has been concerned previously in the administration of such title II.

Advances to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, advances to States under section 221(e) of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary from the above authorization may be expended from the Federal old-age and survivors insurance trust fund.

#### Grants to States for Public Assistance

For grants to States for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, as authorized in titles I, IV, X, and XIV of the Social Security Act, as amended (42 U.S.C., ch. 7, subchs. I, IV, X, and XIV), \$2,033,500,000, of which such amount as may be necessary shall be available for grants for any period in the prior fiscal year subsequent to March 31 of that year.

#### Salaries and Expenses, Bureau of Public Assistance

For expenses necessary for the Bureau of Public Assistance, \$2,345,000.

#### Salaries and Expenses, Children's Bureau

For necessary expenses in carrying out the Act of April 9, 1912, as amended (42 U.S.C., ch. 6), and title V of the Social Security Act, as amended (42 U.S.C., ch. 7, subch. V), including purchase of reports and material for the publications of the Children's Bureau and of reprints for distribution, \$2,300,000: *Provided*, That no part of any appropriation contained in this title shall be used to promulgate or carry out any instructions, order, or regulation relating to the care of obstetrical cases which discriminate between persons licensed under State law to practice obstetrics: *Provided further*, That the foregoing proviso shall not be so construed as to prevent any patient from having the services of any practitioner of her own choice, paid for out of this fund, so long as State laws are complied with: *Provided further*, That any State plan which provides standards for professional obstetrical services in accordance with the laws of the State shall be approved.

#### Grants to States for Maternal and Child Welfare

For grants to States for maternal and child-health services, services for crippled children, and child-welfare services as authorized in title V, parts 1, 2, and 3, of the Social Security Act, as amended (42 U.S.C., ch. 7, subch. V), \$46,500,000, of which \$16,000,000 shall be available for services for crippled children, \$17,500,000 for maternal and child-health services, and \$13,000,000 for child-welfare services: *Provided*, That any allotment to a State pursuant to section 502(b) or 512(b) of such Act shall not be included in computing for the purposes of subsections (a) and (b) of sections 504 and 514 of such Act an amount expended or estimated to be expended by the State: *Provided further*, That \$1,000,000 of the amount available under section 502(b) of such Act shall be used only for special projects for mentally retarded children.

#### Salaries and Expenses, White House Conference on Children and Youth

For necessary expenses for a 1960 White House Conference on Children and Youth,

\$200,000: *Provided*, That a conference director may be appointed by the Secretary, without regard to civil service laws and the Classification Act of 1949, as amended, at a salary not to exceed \$16,500 per annum.

#### Salaries and Expenses, Office of the Commissioner

For expenses necessary for the Office of the Commissioner of Social Security, \$337,000, together with not to exceed \$276,000 to be transferred from the Federal old-age and survivors insurance trust fund.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States under titles I, IV, V, X, and XIV, and section 705 of title VII, respectively, of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under each of such titles to be charged to the appropriation therefor for that fiscal year.

In the administration of titles I, IV, V, X, and XIV, respectively, of the Social Security Act, as amended, payments to a State under any of such titles for any quarter in the period beginning April 1 of the prior year, and ending June 30 of the current year, may be made with respect to a State plan approved under such title prior to or during such period, but no such payment shall be made with respect to any plan for any quarter prior to the quarter in which such plan was submitted for approval.

#### Office of the Secretary

##### Salary and Expenses

For expenses necessary for the Office of the Secretary, \$2,061,000, together with not to exceed \$302,500 to be transferred from the Federal old-age and survivors insurance trust fund.

#### Salaries and Expenses, Office of Field Administration

For expenses necessary for the Office of Field Administration, \$2,735,000, together with not to exceed \$926,000 to be transferred from the Federal old-age and survivors insurance trust fund.

#### Salaries and Expenses, Office of the General Counsel

For expenses necessary for the Office of the General Counsel, \$589,700, together with not to exceed \$27,000 to be transferred from the appropriation "Salaries and expenses, certification and inspection services", and not to exceed \$510,200 to be transferred from the Federal old-age and survivors insurance trust fund.

#### Surplus Property Utilization

For expenses necessary for carrying out the provisions of subsections 203(j), (k), (n), and (o), of the Federal Property and Administrative Services Act of 1949, as amended, relating to disposal of real and personal excess property for educational purposes, civil defense purposes, and protection of public health, \$703,000.

#### White House Conference on Aging

For necessary expenses in carrying out the provisions of the White House Conference on Aging Act, \$452,000.

#### General provisions

Sec. 202. Appropriations under this title available for salaries and expenses shall be available for payment in advance for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public and for payment in advance for publications available only upon that basis or available at a reduced price on prepublication orders.

Sec. 203. Appropriations under this title available for salaries and expenses shall be

available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

Sec. 204. None of the funds appropriated by this title to the Social Security Administration for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

Sec. 205. The Secretary is authorized to make such transfers of motor vehicles, between bureaus and offices, without transfer of funds, as may be required in carrying out the operations of the Department.

Sec. 206. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 15 per centum of the direct costs.

Sec. 207. Hereafter any appropriation available for the pay and allowances of commissioned officers of the Public Health Service may be utilized for the payment of claims as authorized by the Act of September 2, 1957 (71 Stat. 575).

Sec. 208. Any obligational authority for planning or construction of any building made available to the Department of Health, Education, and Welfare, which otherwise expires for obligation on June 30, 1959, shall remain available until June 30, 1960.

This Act may be cited as the "Department of Health, Education, and Welfare Appropriation Act, 1960".

#### TITLE III—NATIONAL LABOR RELATIONS BOARD

##### Salaries and expenses

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 141-167), and other laws, including rental of temporary space in the District of Columbia, and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), \$14,230,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

#### TITLE IV—NATIONAL MEDIATION BOARD

##### Salaries and expenses

For expenses necessary for carrying out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); temporary employment of referees under section 3 of the Railway Labor Act, as amended, at rates not in excess of \$75 per diem; and emergency boards appointed by the President pursuant to section 10 of said Act (45 U.S.C. 160); \$1,357,000: *Provided*, That the unexpended balances of appropriations for the fiscal years 1958 and



1959 for "Salaries and expenses", "Arbitration and emergency boards", and "Salaries and expenses, National Railroad Adjustment Board", shall be merged and accounted for in one account.

**TITLE V—RAILROAD RETIREMENT BOARD**  
*Limitation on salaries and expenses*

For expenses necessary for the Railroad Retirement Board, including uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114), \$9,460,000, to be derived from the railroad retirement account.

**TITLE VI—FEDERAL MEDIATION AND CONCILIATION SERVICE**  
*Salaries and expenses*

For expenses necessary for the Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171-180, 182), including expenses of the Labor-Management Panel as provided in section 205 of said Act; expenses of boards of inquiry appointed by the President pursuant to section 206 of said Act; temporary employment of arbitrators, conciliators, and mediators on labor relations at rates not in excess of \$75 per diem; and Government-listed telephones in private residences and private apartments for official use in cities where mediators are officially stationed, but no Federal Mediation and Conciliation Service office is maintained; \$3,905,400.

**TITLE VII—INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN**  
*Contribution to Interstate Commission on the Potomac River Basin*

To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), \$5,000.

**TITLE VIII—UNITED STATES SOLDIERS' HOME**  
*Limitation on operation and maintenance and capital outlay*

For maintenance and operation of the United States Soldiers' Home, to be paid from the Soldiers' Home permanent fund, \$10,948,000, of which \$5,587,000 shall remain available until expended, for construction of buildings and facilities, including plans and specifications: *Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army, upon the recommendation of the Board of Commissioners of the Home and the Surgeon General of the Army.

**TITLE IX—GENERAL PROVISIONS**

Sec. 901. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

Sec. 902. Appropriations contained in this Act, available for salaries and expenses, shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

This Act may be cited as the "Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1960".

Mr. FOGARTY (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment at any point and open to points of order at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. Are there any points of order? [After a pause.] Are there any amendments to the bill?

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time primarily to direct some questions to the chairman of the subcommittee, the gentleman from Rhode Island [Mr. FOGARTY], if I may.

I wish to ask first of all, Mr. Chairman, as to whether there are any appropriations in this bill for the purpose of financing the pupil testing program for which a contract was made in February of this year by the Office of Education with the University of Pittsburgh or the American Institute for Research.

Mr. FOGARTY. I may say to the gentleman from Michigan that there is no prohibition in the bill preventing funds being used for that purpose.

Mr. JOHANSEN. I think the gentleman misunderstood me. I used the word "appropriation" not "prohibition."

Mr. FOGARTY. There are appropriations under the Defense Educational Act that I believe can legally be used for those purposes. I may say to the gentleman from Michigan that I read the newspaper article that appeared referring to the statement the gentleman made. Doctor Derthick was appearing before our committee at the time, and I think I asked Dr. Flemming about this. They said at that time that program that was being carried on was somewhat different than that suggested by the newspaper article.

Mr. JOHANSEN. Do I understand that the answer of the gentleman is that there are no funds in this appropriation bill for the purpose of financing that particular testing program?

Mr. FOGARTY. Not for financing that particular project, no.

Mr. JOHANSEN. Can the gentleman say as to when the funds were appropriated which will be used for that purpose?

Mr. FOGARTY. The funds were appropriated in the supplemental appropriation bill. They were also appropriated the day before we adjourned last August under the Defense Educational Act.

Mr. JOHANSEN. Does the gentleman anticipate there will be additional funds required to be appropriated to finance this pupil testing program?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Let us see if I can get this straight, if I may ask the gentleman from Rhode Island a question. Do I understand that funds are available to the American Institute of Research to carry on a testing program?

Mr. FOGARTY. Testing was authorized under the original Defense Education Act that was passed by the Congress last year.

Mr. GROSS. Then there are funds available for this contract with the American Institute of Research?

Mr. FOGARTY. Yes. We appropriated funds last August and we again appropriated funds in the supplemental bill

that was passed about a month ago and is now before the Senate.

Mr. GROSS. Can the gentleman tell me, is this another of Dr. Flanagan's famous cost-plus 6 percent contract?

Mr. FOGARTY. I could not tell the gentleman about that.

Mr. GROSS. Does the gentleman know the kind of contract that has been entered into to carry on this testing program?

Mr. FOGARTY. I am just trying to recollect. I think the gentleman and I got into a colloquy when the supplemental bill was considered in reference to this particular program.

Mr. GROSS. Well, at that time I was advised there were no funds in the supplemental bill for that purpose.

Mr. FOGARTY. That is right. And, there are no funds in this bill for that specific purpose.

Mr. GROSS. But there are funds available.

Mr. FOGARTY. For counseling and testing, yes.

Mr. GROSS. Counseling and testing?

Mr. FOGARTY. Yes.

Mr. GROSS. The gentleman is not saying that they have not entered into another one of these 6 percent cost-plus contracts?

Mr. FOGARTY. No. There is nothing in here for specific contracts.

Mr. JOHANSEN. May I ask the gentleman if there are funds in this appropriation bill for the payment of costs of contracts under the cooperative research legislation as distinguished from the National Defense Education Act?

Mr. FOGARTY. Yes.

Mr. JOHANSEN. Is there any reason why those funds may not be applied to the contract with the University of Pittsburgh or the Dr. Flanagan outfit?

Mr. FOGARTY. There is nothing in the bill that would prohibit the Commissioner of Education from using these funds for those purposes if it is otherwise legal.

Mr. JOHANSEN. I thank the gentleman. It seems to me that that would indicate that there are funds in this bill which, once made available to the Office of Education, can then be used for this massive pupil testing program under the research legislation previously enacted by the Congress. And, I want to say that Dr. Flanagan, who is the head of this particular program, has in testimony before the Manpower Utilization Subcommittee acknowledged that he has consistently and repeatedly sought out and is on the prowl for every kind of a program that he can sell to the Federal Government and make a good cost-plus commission on. And, we have on record testimony of what he is doing.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. JOHANSEN] may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield.

Mr. GROSS. Do I understand it is contemplated under one or more of these programs to set up regional testing outfits over the country?

Mr. JOHANSEN. Well, I am glad the gentleman raised the question. I would be interested to know whether anyone on the Committee on Appropriations can answer as to that. I have seen public statements from responsible sources attributing to the Commissioner of Education the design and purpose to have five regional Federal educational offices set up within the United States. And, I wonder if the distinguished gentleman from Rhode Island [Mr. FOGARTY] or any member of the committee, can state whether he has any knowledge of the proposal, even of the most tentative sort, to set up five regional offices of education.

Mr. FOGARTY. They have already, I think, representatives in the regional offices of the Health, Education, and Welfare agencies.

Mr. JOHANSEN. Does the gentleman have any knowledge of any purpose or intent to expand the staffs or give additional prestige or standing to the offices and the so-called representatives of the Office of Education in these regional offices?

Mr. FOGARTY. There will be some extension under this budget for next year.

Mr. JOHANSEN. I thank the gentleman.

I would just like to offer the comment on the basis of the statements made here and on the basis of what has been reported that we are enjoying the opportunity of witnessing the prenatal development and growth of a vast new bureaucracy as the result of our excursion into the field of Federal aid to education and into the field of inevitable Federal control of education which must result.

With respect to the matter which I mentioned earlier, I should like to put this House and this committee on notice that I intend to do everything in my power to determine the extent to which moneys are going into the organizations with which Dr. Flanagan is associated for the purposes, particularly of pupil testing, involving some 1,400 high schools in this country; a program that has already been stated would cost the Federal Government at least a million dollars and a program which involves the bootlegging in a Federal pupil testing program of the kind that no one presumed to bring up here under the National Defense Education Act.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. MOULDER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Chairman, of our natural resources, water has become the number one concern of the Nation. In more and more areas the steadily increasing demands for water are exceeding the readily available supplies. Re-

cently during 1 year more than 1,000 cities experienced domestic water shortages; many industries are finding it difficult to secure suitable water to maintain production. With our expanding economy, water shortages are spreading further and becoming more severe. The Nation's water supply, however, is constant. To meet the present and future demands, more and more repeated reuse of water will be necessary. This can only be accomplished by treatment of sewage and industrial wastes prior to discharge into our waters. This can only be made possible through adequate sewage and waste treatment.

Because the national interest is involved, a responsibility commensurate with that interest rests with the Federal Government for solving the Nation's water shortage. Congress has seen fit to discharge this responsibility through State action but by offering support to the States and their instrumentalities in the form of research, technical assistance, and financial assistance for both administration and construction of treatment facilities. That this arrangement has been successful is not questionable.

During the first 2¾ years of the grant program, Federal aid for construction went to 1,403 projects costing \$118.9 million of Federal money and \$509.7 million of State and local funds. This indicates a considerable increase in construction over the years prior to the grants program. This represents a clean-up or more than 14,000 miles of streams and restoring the water quality for a multitude of water uses.

It has been estimated that an expenditure of \$575 million annually for the next 10 years will be required to eliminate the huge backlog of municipal construction needs and provide for plant obsolescence and population growth. Since initiation of the Grant program, the annual average of \$222 million for construction of municipal treatment facilities—1952-1956—rose to \$370 million—1957-1958.

While this record shows a good beginning nothing must be permitted to hinder an increase in the annual average. The situation is critical and must be met with the best weapon affordable to Congress, an adequate appropriation. This is not the time to compromise the national health and welfare. An appropriation of only \$20 million would not do that. While \$45 million as provided in this bill is not sufficient to do the job required it is enough to hold the line for the coming fiscal year.

Mr. Chairman, the construction grants program, and this particular appropriation, have been strongly endorsed by the Honorable James T. Blair, Governor of Missouri. It is supported by the State water pollution board and by the other State and private organizations concerned with the conservation and wise use of water resources of Missouri.

We have crystal clear running streams, beautiful lakes and wonderful fishing in my district of Missouri. We also have some polluted streams and we are working to clean them up.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I asked for this time primarily to direct a question or two to the member of the subcommittee who I understand is most familiar with the Indian health aspects of this bill. I would like to begin by stating that I deeply appreciate, as a Representative of a district with many Indians, the increases that are provided for Indian health in this bill.

We had before our Subcommittee on Indian Affairs this morning the evidence that the very latest figures show that the infant mortality rate among Indians is still double the non-Indian rate, and the death rate from tuberculosis is between three and four times as high as the non-Indian rate. So I think this is a recognition of a problem on the part of this committee which is deeply appreciated.

There is some language in the report which applies to the question of the treatment of Indians who do not live on reservations. This has aroused some concern on my part. The gentleman, I am sure, is aware of the fact that there are many Indians in this country who live on land that is considered trust land or restricted land, but not reservation land. This land is tax exempt. The local communities and the States are unable to tax this land, although it is not classified as reservation land within the general meaning of that term. Yet, many of these people living on hill land or barren land are without any resources for medical care and unable to obtain it locally.

It is my hope that there is no intention, by the language in the report, to exclude Indians in that category from treatment in Indian hospitals.

Can the gentleman reassure me on that point?

Mr. MARSHALL. Mr. Chairman, I would like to say to the gentleman that that language was written in the report because of some personal observation that I made in connection with the treatment of Indians in some States. We feel very definitely, and I am sure it was the intent of the Congress when health matters were transferred to the public health people, that the public health people within the States accept their responsibility for the care of Indians. The gentleman mentioned lands that are tax exempt. The gentleman may be surprised to know that there are many Indians who are living on taxable land who are discriminated against in some States. And it is that phase of the matter that this committee was attempting to get at, because we think that an American Indian, a citizen, pays taxes and works in employment off the reservation on land which is taxable, that he is as any citizen of that State and ought to be a responsibility of the State. We think, particularly in the control of tuberculosis, that this has been one of the sources of infection of tuberculosis in certain States. It is a matter that must be corrected, and that is what our language was directed toward doing.

It is not a situation that exists in all States, and I cannot say whether or not it exists in the gentleman's State, because I am under the impression that it does not. But it is a condition which exists in some States.

Mr. EDMONDSON. In the State of Oklahoma, the gentleman, I am sure, is aware of the fact that practically all reservation land has been allotted individually to Indians. Those Indians, who comprise a very large segment of our population, can obtain hospital care where they elect to obtain the hospital care without discrimination on that point. But we do have Indian hospitals to take care of them. I wanted to be sure that the language of the report was not directing that they could not use this Indian hospital service unless they were on reservations.

Mr. MARSHALL. I want to say to the gentleman that I have not heard one complaint from anyone about the manner in which the State of Oklahoma has carried out its responsibilities in the treatment of Indians in that State.

Mr. EDMONDSON. I share the feeling of the gentleman.

Mr. MARSHALL. So I am sure that as far as our committee is concerned, from what the gentleman is saying, the situation we are attempting to correct does not exist in Oklahoma.

Mr. EDMONDSON. What the gentleman is attempting to do is stop discriminatory practices against the Indians but not to exclude any Indians from the Public Service hospitals for treatment. Is that correct?

Mr. MARSHALL. There may be a few little ramifications there about which there might be a question, but what the gentleman is saying is substantially correct.

Mr. EDMONDSON. I thank the gentleman, and commend the committee for a very fine bill.

Mr. JOHANSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHANSEN: On page 19, after line 20, insert "Provided, however, That none of the funds herein appropriated shall be used to finance pupil testing programs directly authorized and financed by the U.S. Office of Education."

Mr. JOHANSEN. Mr. Chairman, under the appropriations called for in this bill there are funds for so-called cooperative research and survey programs of the Office of Education. It is under the guise of this authority and under the guise of legislation authorizing the Office of Education to institute such research and survey programs that a contract has been entered into between the Office of Education and the University of Pittsburgh and the research organization headed by Dr. Flanagan.

Under this program, as I pointed out earlier, it is proposed to have federally sponsored and federally conducted pupil testing programs to cover one-half million American high school students in 1,400 high schools throughout the United States.

The purpose of this amendment is to prohibit the use of any funds appropriated in this bill under the guise of co-

operative research or cooperative educational survey projects of the Office of Education for this purpose.

Under the National Defense Education Act adopted by this Congress last year it was spelled out that any program for the use of Federal funds for pupil testing would be through the normal and proper channels of State-authorized programs, State-approved programs for which Federal funds would then be assigned.

Under the guise of this cooperative research organization, as I said before, the Office of Education has set up a direct form of pupil testing on a massive scale. It was done without the authority of Congress and without the opportunity of debating whether we want to enter this new field of educational activity, a field that relates directly to the control of curriculum, the control of the pupils and of the educational processes of our country.

I should like to point out that a very distinguished educator, Dr. Frederick Raubinger, the New Jersey Commissioner of Education, himself for many years a high school principal, announced that this plan was to be introduced by the Office of Education. He announced it at the meeting of the American Association of School Administrators at Atlantic City a few days before it was revealed by the Office of Education. In a speech before that association on February 15 he positively and strongly condemned this new venture of the Federal Government and Federal finances into the field of education and into the direct control of the educational processes.

It is the purpose of this amendment to prevent the use of such funds and to put a stop to a program which, by the acknowledgment of Dr. Flanagan, had been promoted by him and his outfit for years. The statement was even made in one instance that this particular group of psychologists and educators had dreamed for years of this program, and only the Soviet sputnik made it possible to fulfill that dream.

I hope this amendment will be adopted.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, when this controversy broke out in the newspapers last February, we asked the Secretary of Health, Education, and Welfare, Mr. Flemming, about it, and we checked with Dr. Derthick, Commissioner of Education. He said this was a cooperative project and that some of the things which appeared in the paper were not quite as they appeared.

Mr. Chairman, this amendment is a limitation but for all practical purposes it constitutes legislation on an appropriation bill. When the Congress passed the defense education act, it was written into the bill that counseling and testing would be part of that legislation. The overwhelming majority of educa-

tors we have heard from are fully in favor of this particular part of the program.

Mr. Chairman, I ask for a vote on the amendment and I hope that it is voted down.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. HOFFMAN of Michigan. Mr. Chairman, I wanted to offer a motion to prohibit the use of any of the money appropriated by this bill to put on the curriculum of any State-supported university a course to teach sport fishing and hunting, but apparently I did not get around to it in time.

May I ask the Chairman a question. I learned that, in Michigan, at least, two of our State-supported institutions have courses on fishing and hunting—not commercial, but sport fishing and hunting. Is there anything in this bill that would support that kind of a course?

Mr. FOGARTY. There is nothing in the bill for courses on fishing and hunting.

Mr. HOFFMAN of Michigan. Is there anything that would prevent the State from using the money obtained from this bill for that type of teaching, because that is just what they are doing, I am told.

Mr. FOGARTY. Well, I would hope the States would not use it for that purpose.

Mr. HOFFMAN of Michigan. Well, are you against education for the purpose of teaching young people to enjoy themselves by fishing and hunting?

Mr. FOGARTY. No, but I do not think the Federal Government has a responsibility to support that type of course. Of course, if the State of Michigan is spending some money in training people how to fish and hunt, I am sure the gentleman from Michigan, who is one of the greatest in that field, would be in favor of that.

Mr. HOFFMAN of Michigan. I might want a professorship if that is the case, for herring are in recent years striking artificial lures, which is a new activity for the herring, and someone may want to have a Federal tax-supported agency inquire how and why the herring have changed their ways of life by accepting artificial lures at the end of a fisherman's line as a substitute for food and whether it promotes the number and weight of the fish.

Mr. FOGARTY. If you think a letter of recommendation from me would do any good, I would be glad to write it for you.

Mr. HOFFMAN of Michigan. I think if you were sincere about it as I know you would be if you wrote such a letter, and told them so, it would be of a great deal of benefit and be helpful at least toward the spending program—very, very helpful because, when Michigan is so far behind the lighthouse that they either will have to misuse the veterans

fund in order to meet the current payroll or the payroll that is coming up, or postpone payment, I think it is about time that we get out from under Soapy and Mr. Reuther and their policies so that we can meet our honest obligations and permit industry to go ahead.

I cannot see why, when there are so many things that people need and must have, we spend so much for non-essentials. For example, I would object, I guess, if they taught methods of commercial fishing because that is a private industry and they ought to be able to get along themselves if we give protections against Reuther, his goons, and Hoffa's extortionists. But the absurdity of it, when we need to know more about how to earn money which will enable us to live better and in accordance with our former standards, and then wasting so much on nonessentials.

It is about time we cut out some of the things that the universities are spending money to teach until we can pay as we go. Why should they teach my great grandson how to trap a rabbit or how to dig out skunks when about the first thing he should learn is how to support himself and the wife and, I hope, the children who will be born to his wife and to him?

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. JOHANSEN].

The amendment was rejected.

Mr. PRICE. Mr. Chairman, I move to strike out the requisite number of words.

I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PRICE. Mr. Chairman, the Public Works Committee recently held hearings on H.R. 3610, a bill by the gentleman from Minnesota, my own bill, H.R. 246, and similar bills to enlarge the sewage-treatment construction grants program and otherwise speed up the water pollution control work. H.R. 3610 has subsequently been reported favorably.

During those public hearings, millions of American citizens, through their group leaders testifying there, gave an overwhelming nod to stepped-up continuation of pollution control in public waters.

They came from all walks of life. They represented every type of water use. There were hunters, fishermen, garden clubbers, business women, home makers, industrialists, farmers, municipal and State governments, represented in the "aye" votes represented there.

These people, through their organizations, are keenly aware of the importance of water in their daily lives; of the vital need to keep our streams free of pollution to meet the needs of an exploding population and an American industry and economy which depend on water for continued expansion.

The opposition voiced to H.R. 3610 was in noticeable minority.

Ten years ago it was believed our population would reach 170 million by 1975. Instead we passed the 170 million mark 2 years ago. In 1957 the census bureau revised its estimates and predicted a population of 220 million by 1975. Last November the estimates were again revised upward to predict a population of 272.5 million by 1980—an increase of 100 million in the next 21 years.

While population growth and the well known concentration of people in metropolitan areas have had a fierce impact on water pollution, industrial growth has been equally spectacular and its pollutional consequences even more crucial. As a result our water resources are being subjected to ever-increasing amounts of sewage and industrial pollution.

At the same time many more millions of Americans are becoming dependent on the same pollution-ridden waters as sources of public supply. Industry is seeking still more billions of gallons of usable water. Agriculture's demands for irrigation are mounting incredibly. Many more millions of people are demanding and needing public waters for recreation.

Clearly such voluminous needs for clean waters for so many purposes are deserving of national concern. They transcend the local or single-purpose approach to solving the problems involved. Positive and well-planned Federal leadership is indicated, and this we have in the progress made these past 2½ years under Public Law 660, to give strength to local, State, and interstate efforts to roll back pollution—today's greatest waster of our most important natural resource.

Many of us felt 2 years ago that \$100 million per year for the next 10 years was needed to catch up with the backlog of pollution control needs nationwide. With the reduction of that figure to \$50 million and then to \$45 million in 1957 and 1958, the construction of waste treatment works barely kept pace with new pollution added through population and industrial growth.

To reduce the program at this time by cutting appropriations or by transferring to the States the very capable leadership of Federal Government would be a setback which the country cannot afford. Just as we begin to see the beneficial workings envisioned 2 years ago under Public Law 660, shall we change horses in midstream?

The very least we can do is hold steady to the course and hope that the gains will be as great in 1960 as they have been these past 2½ years. I, therefore, strongly urge that we consider nothing less than the \$45 million appropriation—equal to that of last year—for the Federal share in municipal-pollution control.

The CHAIRMAN. Are there any further amendments?

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House,

with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6769, making appropriations for the Departments of Labor and Health, Education, and Welfare and related agencies for the fiscal year ending June 30, 1960, and for other purposes, directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. FOGARTY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the appropriation bill just passed.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOGARTY. I ask unanimous consent, Mr. Speaker, to revise and extend my remarks made on the bill just passed, and to include extraneous matter.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAIRD. Mr. Speaker, I also ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole and to include extraneous matter.

The SPEAKER. Is there objection?

There was no objection.

HON. CARLTON H. MYERS (H. DOC. NO. 123)

The SPEAKER laid before the House the following communication:

APRIL 28, 1959.

The Honorable the SPEAKER,  
House of Representatives.

Sr: The Clerk has received a communication from the Honorable Carlton H. Myers, candidate for the office of Representative in Congress from the 22d Congressional District of the State of Illinois at the election held on November 4, 1958, complaining about the conduct of the said election.

The copy of this complaint, which was filed personally by the candidate in the Clerk's office today, is being transmitted for consideration by the appropriate committee, since there is no record of the receipt of the original of this communication by the Clerk.

Respectfully yours,

RALPH R. ROBERTS,  
Clerk, U.S. House of Representatives.

The SPEAKER. Referred to the Committee on House Administration and ordered printed.

#### LEGISLATIVE PROGRAM FOR THE BALANCE OF THE WEEK AND NEXT WEEK

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I do this to ascertain the program for the balance of the week and next week.

Mr. McCORMACK. There is no further program for the balance of this week.

#### ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, at this time I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection?

There was no objection.

#### LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, as far as next week is concerned, Monday is Consent Calendar day. Also there are two suspensions, H.R. 6319, a bill relating to the control of veterans' estates, and H.R. 4821, a bill relating to the Disaster Relief Act Authority for Texas City.

For the rest of the week I have no program to announce, except that Friday will be the 75th birthday anniversary of former President Harry S. Truman.

There is nothing for the rest of the week unless some rules come out of the Rules Committee. In the event of a rule being reported out on the Housing Act, if we could get a Republican vote over there, I would program that for next week.

Mr. BYRNES of Wisconsin. The majority control of the Rules Committee is on the Democrat side.

Mr. McCORMACK. Yes. Seven hundred and fifty percent of the Democratic members of the Rules Committee are right, and a thousand percent of the members on the Republican side are wrong.

Then if a rule comes out on the TVA self-financing bill I will program that for next week.

I understand the Committee on Rules will probably meet on Monday, Tuesday at the latest. I might say that the Committee on Rules has been very responsive and cooperative outside of the housing bill, and on that bill I am hoping there will be the cooperation that will enable it to come up on the floor of the House so that Members may debate it and offer amendments under an open rule. After the Rules Committee acts I will announce any change in the program for next week as quickly as I can, to keep the Members advised.

The usual reservation is made to make changes in the program and, of course, conference reports will be in order at any time.

Mr. BYRNES of Wisconsin. I gather from what the gentleman says that outside of the specific bills he mentioned there will be no action on Monday or Tuesday.

Mr. McCORMACK. There is one other bill pending before the Rules Committee that may come out. They conducted hearings today on the TVA self-financing bill. Of course, we met at 11 o'clock and they had to adjourn.

Mr. BYRNES of Wisconsin. The point I make is that it could not come up before Wednesday, even if reported on Tuesday.

Mr. McCORMACK. Should it be reported out on Tuesday I would not call it up until Wednesday because under the rule to call it up before would require a two-thirds vote.

I may say that on Tuesday there are primaries in Indiana and Maryland, and if any rollcall should be requested on Monday or Tuesday—and, of course, there is nothing for Tuesday—if any should be called for, agreement has been made that the rollcall would go over until Wednesday.

If it is agreeable to the gentleman from Wisconsin, I will ask unanimous consent now that in the event of any rollcall on Monday or Tuesday further consideration of such bill upon which a rollcall might be asked be postponed until Wednesday of next week.

Mr. GROSS. Mr. Speaker, reserving the right to object, what is going on on Monday to require that there be no rollcall that day, should one be demanded? The Kentucky Derby will be over, will it not?

Mr. McCORMACK. The Kentucky Derby was not in my mind. There are primaries in Indiana.

Mr. GROSS. On Tuesday?

Mr. McCORMACK. Yes. I imagine that if there were primaries in Massachusetts and I had friends who were candidates I would want to be there the day before, and I am sure the gentleman would should such be the case in Iowa.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### POSTAL WAGE SCALES, WORKING CONDITIONS, AND PERSONNEL PRACTICES

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, day by day, more people and more business concerns are utilizing services of the U.S. Post Office Department. With increasing burdens, the Department is required to make adjustments in its operating procedures.

Unfortunately, because it is a Government agency that must conform to the rules and regulations established by Congress, authorized changes to meet new and compelling conditions are slow in coming. The law's delay in revising wage scales, working conditions, and personnel practices, places the Department under a serious handicap in expediting the mails.

The excellent reputation of the Department obscures the fact that it too must make adjustments, similar to private enterprise, in order to do its job efficiently. For this, it must look to Congress for amendments to the laws governing the hours of employment and the rates of pay for its personnel.

There are pressure periods during the year when a postal worker is required to do additional work involving greater responsibilities, but there is no discretion under the present laws to compensate him accordingly. This is a demoralizing factor that inhibits the Department in the effective employment of personnel to cope with emergencies.

Heretofore, an employee could be assigned to a position of higher responsibility for a period of 30 days before he would become eligible to receive the higher salary commensurate with his new duties. This waiting period was a convenient device that led to exploitation of the worker involved. His ability could be utilized at a higher level for a period just under 30 days, without entitling him to the added compensation he had earned.

I believe that this is manifestly unfair. If a man is called upon to help out the Department by performing services of greater scope and value than those described in his regular job assignment, he should be paid accordingly.

I, therefore, propose that we should amend the Postal Field Service Compensation Act of 1955 to eliminate certain restrictions on the receipt by postal field service employees of the compensation of higher salary levels in connection with temporary assignments thereto.

In my bill, I specifically stress the following quote:

Each employee who at any time has received basic salary under authority of the immediately preceding sentence (39 U.S.C. 964 b, as amended) shall be paid, immediately upon his reassignment to duties and responsibilities of such higher salary level, a basic salary computed in accordance with the provisions of section 502(a), notwithstanding the 30-day requirement contained in the immediately preceding sentence and notwithstanding any other provision of law.

#### RESEARCH ON KILLING AND CRIPPLING DISEASES

Mrs. GRANAHAH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter.

The SPEAKER. Is there objection to the request of the gentlewoman from Pennsylvania?

There was no objection.

Mrs. GRANAHAH. Mr. Speaker, I am proud and happy to join in and support

the recommendations of the Committee on Appropriations for substantially increased research by the National Institutes of Health of the U.S. Public Health Service into the crippling and killing diseases which afflict mankind.

The chairman of the subcommittee handling this appropriation bill, Representative Fogarty of Rhode Island, has again demonstrated broad vision and deep humanitarianism in leading the fight for more adequate appropriations for the Institutes. He and all of the members of the subcommittee deserve the thanks of all of the American people.

I am delighted at the recommendations of the subcommittee and of the full Committee on Appropriations to go far beyond the starvation level of appropriations recommended by President Eisenhower in his budget for the coming year for these vital research activities intended to find the key to the ills which cause such suffering among mankind. I just cannot conceive of a desire to pinch pennies on research which could give us the key to the conquest of such diseases as cancer, or heart disease, or arthritis, or mental health, blindness and the other disabling or fatal illnesses which confront us and take such a heavy toll each year.

#### CYSTIC FIBROSIS RESEARCH

While endorsing and supporting all of the items in this bill for substantially expanded medical research and completely convinced that the additional \$131 million recommended for the Public Health Service over and above the Budget recommendations will be the best outlay our Government could possibly make, I want to devote my brief remarks today primarily to a mystery disease which we hope to see conquered as a result of research authorized under this bill.

I am referring to cystic fibrosis, which strikes at—and strikes down—children in a baffling and tragic pattern. Last year, under the leadership of Mr. FOGARTY and his subcommittee, we in the House were able to make possible a belated but effective start on research into cystic fibrosis as part of the arthritis and metabolic disease activities of the National Institutes of Health. This was a great forward step. The money which was appropriated a year ago is doing good—we know that from the reports of the Institutes officials.

#### PRESIDENT'S BUDGET INADEQUATE

This year, the President's budget merely calls for a continuation of that work at the same level of \$750,000 a year. But as the Fogarty subcommittee pointed out, this is not enough if we are to take advantage of the research opportunities which are opening up.

Out of the additional \$6,500,000 provided for in this bill for arthritis and metabolic disease activities over and above the \$31,215,000 suggested in the President's budget, the committee report looks for further expansion of research in all of the diseases included in this group, so that more than the \$750,000

provided last year will be available for cystic fibrosis.

I know it is the consensus of the House of Representatives that cystic fibrosis receive a fair share of the increased funds.

#### PHILADELPHIA ORGANIZATION VERY ACTIVE

In Philadelphia, we have a very active organization engaged in publicizing and fighting cystic fibrosis, and I have been impressed at the zeal and dedication of the members of this group. They have completely sold me on the need for more and more research in seeking the causes and solution of this child-killing disease. I am, as I said, proud today to have a part in assuring more Federal funds for this vital research.

Mr. Chairman, I made it a point earlier this year to inquire of the Surgeon General about the status of current research as a prelude to my vote on this legislation today, and I sincerely believe the information I received from Dr. Paul Q. Peterson of the National Institute of Allergy and Infectious Diseases in reply to my inquiry to the Surgeon General will be of broad general interest to all of the Members of the House interested in this problem.

#### FACTS ON CYSTIC FIBROSIS

For that reason, I include as part of my remarks the letter from Dr. Peterson and a cystic fibrosis fact sheet which he sent me. This material outlines the facts available on cystic fibrosis—the second most common post mortem diagnosis in children's hospitals in the United States, Canada, Great Britain and Australia. Its victims who survive infancy seldom live to adulthood. The average age at death is 4. It is a frightening thing for many, many families and a disease which must be conquered. Dr. Peterson's letter tells what the National Institutes of Health program is doing in this field. This material follows:

DEPARTMENT OF HEALTH,  
EDUCATION, AND WELFARE,  
PUBLIC HEALTH SERVICE,  
Bethesda, Md., March 16, 1959.

HON. KATHRYN E. GRANAHAN,  
House of Representatives,  
Washington, D.C.

DEAR MRS. GRANAHAN: Your communication of February 26 addressed to the Surgeon General has been referred to this Institute, a center for information on National Institutes of Health cystic fibrosis programs.

I wish that we could report some new finding that offered immediate benefit to cystic fibrosis children; but medicine is able at present only to fight a holding action against this disease. A growing realization of the need for progress has led to increased support by Congress for additional research. A national conference, attended by leading investigators in this country and abroad, was held in January of this year to discuss the cystic fibrosis problem and research objectives. A scientific report on this conference is expected to be published in the future.

Meanwhile, of course, many investigations are under way seeking both to improve treatment and to find the basic cause of the condition and a means of prevention or cure.

Here at the National Institutes of Health our scientists are carrying out a long-term investigation of cystic fibrosis on study patients admitted to the Clinical Center. As

you know, children with this disease have a marked susceptibility to pulmonary infection, particularly with staphylococcal organisms. Because of the critical importance of infections in these patients, the major effort in this project is directed toward investigation of factors responsible for increased susceptibility to infection. This involves studying the effects of extended antibiotic therapy and other management procedures on the progression of pulmonary complications of the disease, how antibiotics alter the bacterial flora of the respiratory tract, and whether prophylactic antibiotic therapy is of value. Approximately \$60,000 a year is presently being spent on this project.

The National Institutes of Health also supports 23 research projects on cystic fibrosis in nongovernmental institutions amounting to \$324,241. A list of these grants is enclosed.

As you know, \$750,000 was made available in the 1959 appropriation by Congress for the direct support of cystic fibrosis research. The research projects referred to above do not therefore present a complete picture of developments in this field. As a result of recent council action and anticipated awards which will be made on applications presently under review, an additional number of new grants on cystic fibrosis will be made by the end of the year.

In addition to the above mentioned research, the National Institutes of Health is supporting a considerable number of studies in areas which do not relate to a specific disease but which are potentially important in advancing basic knowledge of many diseases, including cystic fibrosis. This is especially true of research involving such disciplines as genetics, physiology, and immunology.

Congress has also provided increased funds to support research on staphylococcal infections, which present a particular threat to hospitals. This work has direct implications for cystic fibrosis, inasmuch as staphylococci are responsible for many of the infections which afflict CF patients.

We are enclosing a fact sheet which provides general background information on cystic fibrosis.

If we may be of further service to you, please let us know.

Sincerely,  
PAUL Q. PETERSON, M.D.,  
Acting Director, National Institute  
of Allergy and Infectious Diseases.

#### CYSTIC FIBROSIS FACT SHEET

(Prepared by the Information Office, National Institute of Allergy and Infectious Diseases to provide general background information on cystic fibrosis)

Just 20 years ago cystic fibrosis was unrecognized as a separate disease. Today it is being identified with increasing frequency. Of about 4 million babies born yearly in the United States, several thousand have this condition. It is estimated that in every 800 to 1,200 live births one infant is afflicted. Cystic fibrosis is the second most common post mortem diagnosis in children's hospitals in the United States, Canada, Great Britain, and Australia.

It is called a disease of childhood only because its victims in the past seldom lived to adulthood. Most died within a few months. The cause of death often was recorded as pneumonia, one of the respiratory infections common in this disease. One of childhood's greatest enemies, it is more common than juvenile diabetes, paralytic poliomyelitis in children, or rheumatic fever.

The average age at death of cystic fibrosis patients was estimated in 1956 by Dr. Schwachman, of Children's Hospital, Boston, to be 4 years. At present, about a dozen young people known to have the disease are

attending college, and recently a 31-year-old patient was found to have "CF," as it is commonly known to its investigators.

**WHAT IS CYSTIC FIBROSIS?**

Cystic fibrosis apparently is an inborn error in the functioning of the exocrine gland system. These are the glands which discharge their secretions through body tubes or ducts. The disease has been called exocrinosis. Mucus, tear, salivary and sweat glands may be involved. The precise nature of this error is not understood but the gross effects can be observed. Mucus glands fail to produce a thin, clear fluid; instead, they form an abnormal, thick, and sticky mucus which may interfere with breathing, digestion, or both. Mucoviscidosis is another name for cystic fibrosis.

Cystic fibrosis is worldwide in its occurrence, though Negroes seldom have it and it has not been found in orientals thus far.

It is equally common in boys and girls.

The disease, once established, is not preventable and cannot be outgrown. It is not contagious, although the victim is particularly susceptible to certain contagious diseases.

Inheritance of the disease is believed to be due to a recessive gene which must occur in both parents. It is estimated from genetic studies that the carrier state, or recessive gene, is present in 1 in 16 people in the population. The majority of the carriers show no evidence of the disease although 25 percent of the parents of children with cystic fibrosis have abnormal elevations of sodium and chloride in their sweat, and a relatively higher incidence of bronchitis.

Neither the birth order of the child nor the age of the mother seems to be significant. In different families only 1 in 10 or several of 10 children may be afflicted. Where cystic fibrosis has appeared in the children, there is approximately one chance in four that a next child will have the disorder.

**WHAT ARE THE SYMPTOMS?**

The major symptoms, almost always apparent during the first several months, result from mucus interference with lungs or pancreas or both. Excessive sweating, especially around the head, is common. Varying degrees of severity of the disease lead to great variation in symptoms.

Respiratory irritation: The thick mucus may lodge in the windpipe causing fits of coughing. It may plug up passages in the lungs. Some of the air sacs become over-distended, others may collapse. After a time, the child may contract bronchitis along with a hacking cough. His lungs are damaged and in compensation he will begin breathing rapidly and hard. To the observer the child's chest will become distorted and enlarged. If he does not now contract pneumonia or some other grave infection of the lungs, he may die of heart strain.

**Pancreatic involvement:** The pancreas, one of the very important endocrine factories of the body, can be affected. Its ducts become clogged and since it is charged with a very important function, that of producing enzymes for the digestion of food, the child becomes ravenous in his hunger. He may triple his intake with little effect. Most of it will pass undigested from his body as enormous and fatty stools. He is literally in danger of starving.

Combined difficulties may produce coughing, loss of sleep, poor nutrition, and repeated bouts with infection. The patient with severe symptoms may be pale with dark circles under the eyes, clubbed fingers, blue lips, and may have a chronic cough.

Symptoms may resemble other diseases, such as celiac disease, which also results in abnormal bowel movements, failure to gain weight, and abdominal distension.

Less severe or atypical cases of cystic fibrosis may be particularly difficult to diagnose.

**TESTS FOR CYSTIC FIBROSIS**

Two tests currently considered most reliable are duodenal intubation, by which normal or abnormal secretion of certain pancreatic enzymes is checked, and a sweat-salt test.

In duodenal intubation a small tube is passed through the child's nose to the stomach and small intestine. The position of the tube can be observed on a fluoroscopic screen. Food and liquids are withheld prior to the test to obtain a sample of digestive juices. These may show deficiencies suggestive of cystic fibrosis. This procedure is time-consuming and often difficult to perform.

The sweat test helps establish a presumptive diagnosis more quickly and without regard to meals. One method is based on the amount of salt in sweat collected while the child is in a plastic suit. Another test employs a sheet of gelatin-like agar, laced with silver nitrate and potassium chromate. The heavily salt-laden perspiration on the cystic fibrosis child's hand or foot will instantly etch a sharp print on the treated agar sheet.

Stool analyses, X-rays of lungs and intestines, and glucose tolerance are among other tests.

**TREATMENT**

Treatment is generally expensive and may include prolonged use of antibiotics; inhalation therapy with vaporizing equipment; special diet; large amounts of vitamins; and replacement of absent digestive enzymes with pancreatic preparations. Extra salt may be supplied to counterbalance the high rate of loss during perspiration. A small percentage of cystic fibrosis children are born with especially thick mucus obstructions of the intestines, and require surgery.

In their constant but not always successful fight to ward off or cure infections in

susceptible CF children, doctors generally use a variety of drugs. However, antibiotics used continually may lose effectiveness; some children do not tolerate them; and certain strains of microbes, notably the staphylococci, become drug-resistant. New antimicrobial agents are needed constantly.

Diets given cystic fibrosis patients generally are high in protein and low in fat but do not differ greatly from the usual diet recommended for good nutrition.

Cystic fibrosis children must be given special care to avoid even common infections. One simple example is that gamma globulin may be indicated for some cystic fibrosis children who have been exposed to measles.

**THE OUTLOOK**

Today, with early diagnosis and good care, many cystic fibrosis children should reach adolescence or beyond. Unless research finds a preventive, we may have 50,000 to 100,000 young people with cystic fibrosis in our population within the next 25 years. Some will be of child-bearing age. Since the disease is inheritable, they increase the chance that it will be more prevalent in coming generations. Thus, the effort to control this disease, and eventually to understand and prevent it, is now engaging research and treatment centers throughout the Nation.

Scientists of the Public Health Service's National Institutes of Health, at Bethesda, Md., are carrying out long-term investigations on study patients admitted to the Public Health Service Clinical Center.

The National Institute of Allergy and Infectious Diseases, for example, has undertaken research designed primarily to determine the role of bacterial infection in this disorder. In cooperative studies, the National Institute of Arthritis and Metabolic Diseases is investigating the basic physiologic mechanisms. It is also planned that the perinatal study groups of the National Institute of Neurological Diseases and Blindness will collaborate in determining the incidence of cystic fibrosis and in evaluating diagnostic procedures. Others of the seven Institutes comprising Public Health Service's National Institutes of Health are also participating in cooperative research on this affliction. Many of these studies are supported by grants from the Institutes, as researchers in universities and medical centers throughout the country are conducting studies in areas related to this disease—in disciplines such as genetics, physiology and immunology, where the real answer is just as likely to originate as in those areas specifically oriented toward the problem itself.

Furthermore, a private voluntary agency, the National Cystic Fibrosis Research Foundation, 2300 Westmoreland Street, Philadelphia, Pa., has been organized to support research and public education on this disease.

While it is possible to present this general outline of the problem, the family doctor is in the best position to answer questions related to a specific case.

*National Institutes of Health research projects relating to cystic fibrosis of the pancreas (Active as of January 6, 1959; paid from fiscal year 1959 funds)*

**SUMMARY**

Institute	Number Projects	Total fiscal year 1959 funds	Institute	Number Projects	Total fiscal year 1959 funds
National Institute of Arthritis and Metabolic Diseases	13	\$189,894	National Institute of Allergy and Infectious Diseases	7	\$77,897
National Institute of Neurological Diseases and Blindness	1	12,075	Division of General Medical Sciences	1	30,000
National Cancer Institute	(1)	(1)	Grand total	23	324,241
National Institute of Dental Research	1	14,375			

<sup>1</sup> National Cancer Institute supports no projects on cystic fibrosis per se. Several investigators are involved in research which may have implications in this area, however. For example, C-1975 and C-2143, "Histochemical approach to the investigations of diseases of children."

<sup>2</sup> National Institute of Allergy and Infectious Diseases has transferred \$28,000 of

fiscal year 1959 funds to the Children's Bureau, Department of Health, Education, and Welfare, for studies on cystic fibrosis as a national health problem. This increases the total of National Institute of Allergy and Infectious Diseases' support of cystic fibrosis research to \$105,897.

## NIH research projects relating to cystic fibrosis of the pancreas

## LIST OF INDIVIDUAL INVESTIGATIONS

Investigator	Grant No.	Amount	Institution	Short title
<b>NATIONAL INSTITUTE OF ARTHRITIS AND METABOLIC DISEASES</b>				
(13 grants, \$189,894)				
Spencer, S., et al.....	A-1982	\$8,629	University College of South Wales and Monmouthshire, Cardiff, Great Britain.	Metabolism of sulphated mucopolysaccharides.
Walser, M.....	A-2306	11,638	Johns Hopkins School of Medicine, Baltimore.....	Chronic alterations in extracellular fluid composition.
Platt, D.....	A-2318	11,434	University of Pittsburgh.....	Studies of protein-polysaccharide interactions.
Powers, S. R., Jr.....	A-2381	7,624	Albany Medical College of Union University, Albany, N.Y.	Metabolic alterations in acute pancreatitis.
Kwart, H.....	A-2426	11,580	University of Delaware.....	Polar interaction of proteins and polysaccharides.
White, T. T.....	A-2472	19,975	University of Washington.....	Studies of pancreatic function.
O'Brien, D.....	A-2484	7,247	University of Colorado Medical Center, Denver, Colo.....	Cell water and ionic changes in hyperelectrolytemia.
Howard, J.....	A-2723	35,955	Hahnemann Medical College.....	Studies of pancreatitis and its treatment.
Mulholland, J.....	A-2785	11,743	New York University.....	Changes in thoracic duct chyle in surgical patients and in dogs effected by the pancreas.
Zak, F. G.....	A-2849	12,218	Mt. Sinai Hospital, New York, N.Y.....	Fibrosis influenced by changes of internal environment.
diSant'Agnes, P. A.....	A-2856	35,421	Columbia University, New York, N.Y.....	Investigations of cystic fibrosis of the pancreas.
Davidson, E. A.....	A-2903	11,433	Duke University School of Medicine, Durham, N.C.....	Biosynthesis of mucopolysaccharides and their components.
McIntosh, R.....	A-2946	4,997	Columbia University, New York, N.Y.....	Research conference on cystic fibrosis of the pancreas.
<b>NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS</b>				
(1 grant, \$12,075)				
Erickson, O.....	B-1055	12,075	Stanford University.....	Lacrimal protein; paper electrophoresis. (Biophysical studies of abnormal electrophoretic patterns of lacrimal proteins from a variety of diseases including glaucoma, arthritis, leukemia, stress, arteriosclerosis, allergy, and pancreatic cystic fibrosis.)
<b>NATIONAL INSTITUTE OF DENTAL RESEARCH</b>				
(1 grant, \$14,375)				
Henry, J.....	D-302	14,375	Howard University.....	Hereditary defects in an intermarried clan. (Genetic and biochemical factors of salivary gland secretions in pancreatic cystic fibrosis.)
<b>NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES</b>				
(7 grants, \$77,897 <sup>1</sup> )				
Huang, N.....	E-1105	⊙	St. Christopher's Hospital for Children, Philadelphia, Pa.	Immunologic responses of infants and children. (Antibody response of children with chronic diseases to bacterial and viral antigens.)
Cook, C.....	E-1170	9,966	Harvard University.....	Studies on respiratory physiology in infancy and childhood. (Bacteriologic and biophysical studies of pulmonary involvement in a variety of lung diseases including pancreatic cystic fibrosis, asthma, bronchiolitis, tuberculosis, and pneumonia.)
Shwachman, H.....	E-1560	15,000	Children's Medical Center, Boston, Mass.....	Pancreatic cystic fibrosis and pulmonary infection. (Bacteriologic and biochemical studies on the role of staphylococci in the production of abnormal mucoproteins.)
Hoeprich, P.....	E-1792	5,750	University of Utah.....	Antibiotic prophylaxis in patients with white blood cell dyscrasias. (Bacteriologic studies and evaluation of prophylactic use of antibiotics in hematologic disorders; significance of infections in nephrosis pancreatic fibrosis and hepatic cirrhosis.)
Yow, E. M.....	E-2394	11,833	Baylor University.....	Acute infections complicating preexisting disease.
Shapiro, J. L.....	E-2536	20,537	Vanderbilt University.....	Relation of virus infection to fibrocystic disease.
Curnen, E. C.....	E-2626	9,815	University of North Carolina.....	Studies on cystic fibrosis of the pancreas.
McIntosh, R.....	E-2641	4,996	Columbia University.....	Research conference on cystic fibrosis of the pancreas.
<b>DIVISION OF GENERAL MEDICAL SCIENCES</b>				
(1 grant, \$30,000)				
Powers, S.....	RG-2926	30,000	Union University, Albany, N.Y.....	Trypsinogen activation and its role in pancreatitis. (Biochemical and pathologic features associated with the onset of pancreatic necrosis following anastomosis between the pancreatic and common bile ducts; the effect of alcohol on pancreatic secretion.)

<sup>1</sup> Plus \$28,000 to the Children's Bureau.<sup>2</sup> \$5,491 paid out of fiscal year 1958 funds; project period dates extended to August 1959.

## ANNOUNCEMENT OF HEARINGS ON RADIOACTIVE EFFECTS OF NUCLEAR WEAPON TESTING

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, announcing hearings of the Special Subcommittee on Radiation, and to include therein an outline of the hearings and certain extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, in recent months considerable attention has been focused throughout the Nation and the world on the problem of radioactive fallout from nuclear weapons tests. Public concern of possible dangers of fallout has risen sharply during the past year as a result of new disclosures on fallout patterns and data.

There has been a good deal of confusion over interpretation of this new data. Many discussions on fallout have been highly emotional in nature and have produced more heat than light.

For this reason, among others, the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy is planning to hold public hearings May 5 through 8 to receive expert testimony on this problem. A major aim of the hearing will be to bring the joint committee and the Congress up to date on developments since the comprehensive hearings on fallout which were held by the subcommittee back in 1957.

In addition to updating the 1957 hearings the subcommittee will discuss new problems such as local "hot spot" areas



which have occurred in various parts of the country, together with the question of nonuniformity of stratospheric fallout and evidence of direct intake of fallout to leaves and animals and humans.

We have scheduled a group of expert witnesses who will provide the facts and present opinions in areas where we do not have the facts. We have tried to get witnesses who represent varied points of view, both on technical parts of the problem and organizational matters, so that the overall presentation will be well balanced.

Mr. Speaker, I would like to insert in the RECORD at this point a statement I made April 26 regarding these hearings, together with a functional outline of the hearings and a schedule of witnesses who will appear. I believe this material will be useful and informative to all those who are interested in this important problem which bears directly on vital issues of our national policy.

The statement and other material follows:

NEWS RELEASE FROM THE OFFICE OF THE JOINT COMMITTEE ON ATOMIC ENERGY

Representative CHET HOLIFIELD, chairman of the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy, today made public plans for hearings on the radioactive fallout problem and Government plans to cope with it.

Attached to the news release are a functional outline of the scope of the hearings scheduled for May 5-8 and extracts from the summary-analysis of the 1957 subcommittee hearings.

In connection with the hearings, Representative HOLIFIELD said:

"We have planned the hearings on fallout for several reasons. First, it has been 2 years since the special subcommittee made its first study of fallout and its effects on man, and it is time that that study is brought up to date.

"Second, and possibly most important, public concern over possible dangers of radioactivity has risen sharply in recent months with disclosures of new fallout patterns and data, and the causes of this concern merit our special attention.

"The recent revisions relaxing the standards of maximum permissible accumulation of strontium 90, issued by the National Committee on Radiation Protection and Measurements, will also be considered. We will want to see whether these revisions are consistent or contradictory with fallout standards issued by the International Committee on Radiation Protection.

"Finally, the recently publicized issue of what agency should be responsible for radiation regulations is directly related to fallout and requires our study.

"In all phases of our inquiry, it is my intention to develop information and considered judgments rather than mere opinions. I think the subcommittee's primary function is to get this information into the record.

"Our study 2 years ago left us with many unanswered questions, as our summary-analysis of the hearings indicated. We must try to find out if the answers are any closer.

"In line with our policy of getting all the information available on the fallout problem, we have tried to the greatest extent possible to seek witnesses representative of all points of view—both as to technical phases of the problem and organizational matters.

"In order that the public may understand this technical problem, we have asked witnesses to express themselves as much as possible in laymen's terms. The subcommittee

intends to do its best to seek in clear language the answers to the questions that appear to be bothering the public.

"The attached outline emphasizes that in addition to updating the 1957 hearings, new and emerging data and problems will be covered. This includes the problem of local 'hot spot' areas such as those affecting wheat in Minnesota, the question of non-uniformity of stratospheric fallout, and evidence of direct intake of fallout from leaves to animals and humans.

"Testimony will also be heard on the effects, from a fallout standpoint, of alternative types of testing, including underwater, underground, atmospheric, and stratospheric testing.

"As the outline indicates, the subcommittee will study the effects of fallout from nuclear testing. At a later date, probably the week of June 1, the subcommittee will hold hearings on the hypothetical fallout implications of an all-out nuclear war."

SCOPE AND PURPOSE OF FALLOUT HEARINGS  
(FUNCTIONAL OUTLINE)

GENERAL

The purpose of the new hearings will differ from that of the 1957 hearings. The new hearings will not attempt to cover the broad background information covered in 1957. Rather, the emphasis will be twofold:

(1) To update the 1957 hearings by covering the important developments concerning the distribution and uptake of fallout and concerning the biological effects of radiation, with particular reference to the "key points" and "major unresolved questions" set forth in the Joint Committee's Summary-Analysis of the Committee's 1957 hearings (pages 2, 3 and 4—copy attached).

(2) To dig more deeply and more clearly into specific topical points of interest and relevance to current fallout problems, and scientific and policy questions. Thus, for example, the current problem of "hot spot" areas, the role of direct uptake of fallout from leaf surfaces, and the problem of carbon 14, should be considered.

The emphasis this time, therefore, will be to cover and communicate a much fewer number of points more effectively. All this does not mean that no one will have to stop and define "curie" again, but this sort of thing will be a natural part of the discussion on topical points rather than a point in itself. (A glossary of terms is being prepared.)

SUBJECT MATTER

I. Basic distinctions and their importance in a discussion of the fallout situation.

(a) Local versus worldwide fallout—difficulty of precise distinction, contrast in types of problems involved and in programs and administration to cope with each type.

(b) Monitoring-surveillance versus research—a distinction in goals or purpose rather than in actual activity; problems of public understanding caused by confusing the two.

(c) Population versus individual risk; and controlled versus uncontrolled risk—the relationship of the type of risk to the type of protection standard applicable and to the type of policy decision being considered.

(d) Variability of fallout distribution (on the ground)—global, regional, and local. Relationships to different types of models.

II. How have worldwide fallout levels and their distribution changed since 1957? Consider levels in the atmosphere, and biosphere, up to and including human body burdens or external exposure. Consider new topics such as C<sup>14</sup>. Compare Sr<sup>90</sup> and Cs<sup>137</sup>.

III. What are the developments since 1957 in our understanding of basic worldwide fallout mechanisms? What are the main sources of uncertainty and how can these be attacked and how are they being attacked?

IV. What types of forecasts of future worldwide fallout levels can be made and what types are useful? What is the basis of such forecasting? What are the forecasts?

V. What are the developments since 1957 in our understanding of the biological effects of radiation? Discuss genetic and pathologic effects. Emphasize statistical nature of findings.

VI. What is a rational basis for estimating and forecasting the hazard to man of worldwide radioactive fallout? How can such estimates be used? How should they relate to Government decision and policy problems?

VII. What is the basic nature and purpose of existing radiation protection standards? What is their applicability to the worldwide fallout situation? How do and should they relate to Government decision and policy problems?

VIII. As an example of the workings of the complex relationships involving scientific data, radiation protection standards, hazard evaluation, and policy, discuss the problem of so-called hot spots, how they arise, how they are discovered, what they imply scientifically, and what can and should be done about such problems.

IX. How is and how should the Government be organized to deal with the general problem of environmental contamination from worldwide radioactive fallout? At what levels in Government, or by what agencies, are and should policy, budget, and research—program decisions be made? How are potentially hazardous situations dealt with? How are problems of public understanding handled? What about the relationships between AEC and PHS, FDA, DOD, OCDM, ICRP, NCRP, and the U.N. Committee, etc.? What about relationships with State and local governments and with private groups?

X. How are data collected and reported in the worldwide fallout program? What is the present and future scope and direction of the research and monitoring—surveillance programs in the Government?

EXTRACT FROM SUMMARY ANALYSIS OF 1957 HEARINGS ON "THE NATURE OF RADIOACTIVE FALLOUT AND ITS EFFECTS ON MAN"

SUMMARY OF KEY POINTS

Some general observations may be made on the results of the hearings:

1. Origin of fallout: It was pointed out that all nuclear explosions can be expected to produce some radioactive materials. However, certain kinds of explosions produce very much less radioactivity than others. Although there is no such thing as an absolutely "clean" weapon (that is, there is no such thing as a nuclear weapon detonation completely free of accompanying radioactivity), the amount of the radioactivity produced can be substantially altered in relation to the size of the explosion.

2. Distribution of fallout: There was substantial, but far from complete, agreement on what happens to radioactive debris produced in man's environment, how much is there now, how and where it is distributed, and how much is in man himself. There was considerable evidence presented to indicate that in no part of the atmosphere is fallout uniformly distributed and that, therefore, the effects of fallout on the world's population could not necessarily be expected to be uniform.

3. Biological effects of radiation: There was general agreement that any amount of radiation, no matter how small the dose, increases the rate of genetic mutation (change) in a population. There was, on the other hand, a difference of opinion as to whether a very small dose of radiation would produce, similarly, an increased incidence of such somatic (nongenetic) conditions as leukemia or bone cancer, or a decrease in life expectancy, in a population.

4. Tolerance limits: There was general agreement that there is a limit to the amount of radioactivity and, hence, to the amount of fission products that man can tolerate in his environment. The extent to which existing and future generations will be affected by manmade radiation was shown to be intimately tied to certain decisions, moral as well as scientific, that must be made as to how much radiation can be tolerated by the peoples of the world.

5. Effects of past tests: It was clearly shown that man's exposure to fallout radiation including strontium 90 is and will be in general small, for the testing already done, compared with his exposure to other, "normal background" sources of radiation (a fraction of 1 to 10 percent), and even compared with variations in "normal background" sources. But it was not agreed on how this information should be interpreted.

6. Effects of future tests: There were differences of opinion on how to forecast the consequences of further testing. The differences hardest to reconcile appear to be those concerning the biological effects of radiation. Pending a resolution of differences, it would appear from the information presented that the consequences of further testing over the next several generations at the level of testing of the past 5 years<sup>2</sup> could constitute a hazard to the world's population. It is very difficult, if not impossible, to forecast with any real precision the number of people that would be affected.

7. Effects of nuclear war: The catastrophic nature of the radiation effects from a multi-weapon (atomic and hydrogen bombs) attack on the United States were clearly portrayed. This, of course, could be applied to any nation.

These points will be discussed in more detail.

#### MAJOR UNRESOLVED QUESTIONS

A number of unresolved questions emerged from the hearings. Among the chief of these are:

1. How "clean" can nuclear weapons actually be made? The solution to this question lies in the future of weapons development.

2. To what degree is the distribution of radioactive fallout uniform or irregular throughout the world? Vigorously conducted sampling programs will help to answer this question.

3. To what extent do the biological processes of plants, animals, and human beings—under normal conditions—exhibit a preference for or "discriminate" against strontium 90 and other potentially hazardous isotopes that are taken up into the human body? Sampling and metabolic studies underway will develop a better answer to this question.

4. Is there a safe minimum level of radiation or threshold below which there is no increase in the incidence of such somatic (nongenetic) conditions as leukemia or bone cancer, or no decrease in life expectancy, in a population, resulting from radiation? The answer to this question appears difficult to find experimentally.

5. What is the genetic doubling dose of radiation to man? That is, what dose of radiation will cause the spontaneous genetic mutation (change) rate to double?

6. Should a distinction be made between absolute numbers of persons affected by fallout and percentages relating these numbers to the total population of the world, i.e., can we accept deleterious effects on a relatively small percentage of the world's population when the number of individuals affected

might run into the hundreds of thousands? This question cannot be answered by considering scientific data only. Overall national policy and great moral issues are also involved.

These questions will be discussed in greater detail.

#### NEED FOR FURTHER RESEARCH

There was strong agreement among the witnesses that even greater efforts and even larger budgetary outlays, both private and governmental, are required for our research program in the sciences related to fallout. There was testimony advocating sharp increases in budget, with emphasis in specialized fields. There was also testimony for more gradual long-term increases with emphasis on stability and continuity. But most witnesses appeared to feel that some increase is necessary if we are to accomplish our objectives of understanding the nature of radioactive fallout and its effects on man at an earlier date.

#### JOINT COMMITTEE ON ATOMIC ENERGY, SPECIAL SUBCOMMITTEE ON RADIATION—PUBLIC HEARINGS ON FALLOUT FROM NUCLEAR WEAPONS TESTS (MAY 5-8, 1959)

##### SCHEDULE

Tuesday, May 5

Morning session, 10 a.m.

Opening remarks by Chairman HOLIFIELD (10 minutes).

##### I. Introduction:

A. General review of development since 1957 hearings (75 minutes):

1. General introduction covering distinctions between local, tropospheric and stratospheric fallout; distinctions as to mechanisms of uptake; somatic and genetic effects; permissible doses; and predictions as to future effects of fallout from continued testing.

2. Discussion of current "hot spot" area problem, showing how explanation of problem involves consideration of several alternative hypotheses which will be taken up in greater detail in the course of the hearings.

Presentation by Dr. C. L. Dunham, Chief, Biology and Medicine Division, AEC.

B. Comment by Public Health Service (45 minutes): Dr. Francis J. Weber, Chief, Division of Radiological Health, Public Health Service.

Afternoon session, 2 p.m.

II. Summary of new data on atmospheric fallout: (Gummed film, rainpots, soil, air, etc.).

##### A. Presentations:

1. Mr. Joshua Holland, Division of Biology and Medicine, AEC (20 minutes).

2. Dr. Frank Shelton, technical director, Armed Forces special weapons project (20 minutes).

III. Global fallout: Mechanisms for determining: Statements to update theories and models of fallout patterns, uniformity vs. nonuniformity, banding, etc.

##### A. Presentations:

1. Dr. Lester Machta, U.S. Weather Bureau (40 minutes).

2. Dr. E. A. Martell, Cambridge Research Center, U.S. Air Force (20 minutes).

3. Dr. W. F. Libby, Atomic Energy Commission (20 minutes).

4. Dr. Frank Shelton, technical director, Armed Forces special weapons project (10 minutes).

Wednesday, May 6

Morning session, 10 a.m.

B. Roundtable on global fallout (1 hour).

Participants: Dr. Wright Langham, Dr. Lester Machta, Dr. E. A. Martell, Dr. Willard F. Libby, Mr. Merrill Eisenbud, Mr. Hal Hollister, Mr. Joshua Holland, and Dr. Frank Shelton.

IV. Summary of new data on uptake in milk, food, human bone (1 hour).

A. Dr. Wright Langham, Los Alamos Scientific Laboratory.

B. Dr. Conrad Straub, Taft Sanitary Engineering Center, Public Health Service, Cincinnati.

Wednesday, May 6

Afternoon session, 2 p.m.

V. Fallout mechanisms, uptake.

A. Soils, plants, and foliar deposition: Dr. Robert Reitemeier, AEC and Agricultural Research Service, Beltsville, Md. (30 minutes).

B. Animals, persons, discrimination, etc.: Dr. C. L. Comar, Cornell University (30 minutes).

C. Roundtable on fallout mechanisms and uptake in plants, soils, animals and people.

Participants: Dr. Wright Langham, Dr. William Neuman, Dr. C. L. Comar, Dr. Robert Reitemeier, Dr. Arthur Wolf, and Dr. Harry A. Claypool.

Thursday, May 7

Morning session, 10 a.m.

VI. Developments in radiation biology (2 hours).

A. Somatic effects:

1. Dr. Austin Brues, Argonne National Laboratory.

2. Dr. Lloyd W. Law, National Cancer Institute, Public Health Service.

B. Genetic effects:

1. Dr. James Crow, University of Wisconsin.

2. Dr. W. L. Russell, Oak Ridge National Laboratory.

Thursday, May 7

Afternoon session, 2 p.m.

VII. Discussion of permissible exposure levels (30 minutes):

A. Presentation:

Dr. G. Falla, Columbia University.

Dr. James Crow, University of Wisconsin.

B. Roundtable on permissible exposure levels in relation to weapons testing (30 minutes).

Participants: Dr. G. Falla, Dr. James Crow, Dr. Clinton Powell, Dr. K. Z. Morgan, Dr. Forrest Western, Dr. Jack Schubert, and Dr. Lauriston Taylor.

VIII. Status and implications of testing (30 minutes).

A. Presentations (witness to be selected).

B. Roundtable discussion (30 minutes).

Participants: Dr. William Neuman, Dr. Wright Langham, Dr. Willard F. Libby, Mr. Joshua Holland, Dr. Frank Shelton, Dr. Lester Machta, Mr. Hal Hollister, Mr. Merrill Eisenbud, Dr. Walter Selove, and Dr. James Terrill.

#### CARPETS NOT A LUXURY BUT PERFORM A USEFUL AND NECESSARY SERVICE, ESPECIALLY IN PUBLIC BUILDINGS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, the other day a distinguished Member of the other body took issue with an appropriation recently proposed in the other body for the expenditure of \$150,000 for carpets in various offices in the New Senate Office Building.

I am not familiar with the problems of this specific building, except that from the newspapers I judge that it is not all that it might be and has not measured up fully to the expectations which Members of the other body had for so expen-

<sup>2</sup> It has been estimated that about 50 megatons equivalent yield of fission products have been put into the atmosphere so far by all countries.

sive a structure, but I do fear that this Member of the other body may have unintentionally created an impression about the function of carpets in general which is not only incorrect but also runs the risk of confusing the minds of those of us who have the responsibility for the operation of Government buildings in general with regard to the highly important and essential services which carpets perform.

I may say, Mr. Speaker, that I speak with some feeling on this subject, since I have the honor to represent a district which includes one of the great carpet manufacturing centers of the United States, the city of Amsterdam, home of the Mohasco Carpet Industries.

In the remarks to which I have just referred, this Member of the other body said, for example, that if the Senate would reject the appropriation of \$150,000 for carpeting, he would personally buy rubber heels for every clerk in every senatorial office in the New Senate Office Building, provided members of the other body would supply him with the foot measurements of their employees, men and women alike.

Mr. Speaker, I have strongly supported the so-called distressed areas legislation which recently passed the other body, whose primary purpose it is to ease the impact of unemployment in many areas of our country. It so happens, Mr. Speaker, that the carpet industry is one of those which has been most severely hurt by this unemployment, to some extent as the result of unfair competition from abroad; in fact the great carpet city of Amsterdam, N.Y., in my district, is one of those cities which is suffering from some 18 percent of unemployment and would be eligible today, Mr. Speaker, under the provisions of the bill already passed by the other body for the kind of relief provided under the terms of that legislation. I am sure no Member of Congress in either House would wish to do anything that would negate the help that this bill, which I have myself joined in sponsoring, might provide to the hard hit carpet industry and to the thousands of people who are currently unemployed in Amsterdam because of a declining demand for domestically manufactured carpets, nor would anyone wish, certainly, to add to the unemployment problem which the bill is designed to relieve.

Actually, Mr. Speaker, carpets perform a very useful function not only in providing the necessary silence and dignity in Government office buildings, which I am sure was in the mind of the Architect of the Capitol when he first suggested the addition of carpets in the New Senate Office Building, but they also provide something which all of us should be particularly conscious of in these bright spring days in Washington, namely, rest and relief for the tired visitor from home who is spending his busy day viewing the sights of our capital city.

I know from talking with many of my constituents that one of the season's major ailments is what has been referred to aptly as "museum fatigue," an ailment to which those who visit art gal-

leries, historic shrines, and public buildings here in the city of Washington are particularly prone. Indeed, as the heat gets greater in the coming weeks, I predict that the incidence of this disease will rise sharply.

In all seriousness, Mr. Speaker, the strain of walking and standing on hard floors is something which we legislators cannot ignore. It should be considered along with the reduction in noise and the elimination of the hazard of accidents on smooth and slippery floors when we think of appropriate floor covering.

Not only will carpeting ease the strain of constituents who will be visiting Washington in the months ahead, but it will make their visit to the Capital safer, and with the reduction of noise will also eliminate some of the nervous strain and tension involved in any long sightseeing tour. The Members of the other body, who have been somewhat concerned with the field of nervous tension in recent days, Mr. Speaker, ought to be particularly sensitive to this advantage of carpeting.

I might also point out to those who are interested as I am in economy in Government, that thousands of dollars in cleaning bills alone can be eliminated by the use of carpets and rugs.

I don't believe, Mr. Speaker, that a public building needs to be a cold or forbidding place. I feel indeed that it ought to be a warm and inviting spot, whether it be an office building for the use of the Members of the other body or whether it is a museum or art gallery. Nothing, of course, enhances the livability and warmth of a building or a home more than good carpeting. And we in the Federal Government ought to set an example in this regard and should not move lightly away from a tradition which has been so much a part of American life for so many years, particularly when our actions might well contribute to the very unemployment which we are trying so hard to eliminate.

One thing in particular that disturbs me, Mr. Speaker, is that there has been a tendency on the part of certain officials in Government to regard carpeting as a special luxury, because I am advised that in the executive departments office carpeting is restricted to officeholders in the rarefied atmosphere of GS-15 and above—in other words, to those receiving a minimum salary of \$12,770. I think it is time that we rose up here as a body and protested this discrimination against the rank and file hardworking employees of the Government in being excluded from one of the real elements of fine American living by this policy. Indeed, I think it is time that we in the New House Office Building ought to speak out against the discrimination from which we ourselves suffer in comparison with our friends in the Old House Office Building in this regard.

I am advised that the entire Federal Government spends less than \$3 million annually on carpeting. At a time when so many Government commissions are being set up to study so many matters of vital interest and concern to the Government, I wonder if it is not time that

this body should establish another commission to look into the whole subject of carpeting, the benefits to be gained from its use, and the extent to which an insidious policy may be underway to play down the importance of carpets in American life.

I feel sure that if, as I have suggested, this body will reverse this trend and insist that many of our public buildings in this great city which are tourist attractions are carpeted, then we will not only provide comfort for the thousands and thousands of our constituents who visit Washington every year, but we will also have contributed greatly to the comfort and emotional stability of our dedicated career Government employees.

Mr. Speaker, I am grateful that the other body has seen fit by a vote of 55 to 34, to proceed with the original plans for carpeting in the New Senate Office Building. I hope this action will not only set a new trend here on Capitol Hill with regard to the importance of carpeting, but will also presage a return to this important type of floor covering which will bring added benefits both to our Government and also to the people of the 32d Congressional District of New York.

#### OBJECTIVES AND OPERATION OF THE DEVELOPMENT LOAN FUND OF THE MUTUAL SECURITY PROGRAM

THE SPEAKER. Under previous order of the House, the gentleman from Maine [Mr. COFFIN] is recognized for 75 minutes.

#### THE DEVELOPMENT LOAN FUND—REPORT TO THE CONGRESSIONAL BOARD OF DIRECTORS

Mr. COFFIN. Mr. Speaker, not much over a year ago a corporate entity which we created—the Development Loan Fund—began its operation. As of March 31, 1959, it had made loan commitments of \$697,906,000, out of a lending authority of \$698,991,000. It had received loan applications of \$2,955,603,000 and had on hand serious proposals under consideration of \$1,427,590,000. In short, here is a financial institution carrying on a banking business in 37 countries, of vital importance to this Nation.

Yet, although we have come to use the initials DLF with familiarity, and although we have debated with vigor and some heat whether it should have a supplemental appropriation to carry on its activities until the end of this fiscal year, most of us have proceeded with some ignorance as to the details of its operation. We know that the purpose of the fund is to make loans for sound projects in countries needing intensive economic development, where repayment in dollars may at present be an impossibility. We know that the fund represents a refreshing change from the grant approach and establishes a lender-borrower relationship. We know that its approach is tied to the soundness of a project rather than an arbitrary allotment to a country.

But aside from these basic principles, whether we support or oppose the DLF, our knowledge of its operations is no greater than that of "the Old Lady of Threadneedle Street." Mr. Speaker, the

Development Loan Fund, or the "young lady of I Street," deserves greater attention. She deserves this attention partly because she is our creation, partly because she is a sizable financial institution which merits our critical scrutiny, and partly because her activities are a vital part of free world economic pioneering.

Mr. Speaker, I would like to make a personal, informal, but I hope informative report on the DLF to its Congressional Board of Directors. As background for this report, in addition to participating in the hearings and debate on the fund since its creation in 1957, I have visited its offices for two lengthy conferences with its top loan officials, have studied every loan which has been made, in some instances asking for specific additional data, have inspected some of the files, and have read as many of the reports of operation as I could find. I shall try to report to you as factually as possible what its organization is, how it operates, the kinds of projects it has backed, and what its record has been. Insofar as is possible, I shall try not to duplicate the general type of information presented in the pamphlets and statements available to all Members.

I should say, Mr. Speaker, that the so-called Red Book describing in great detail the operations of the Development Loan Fund is the only book of its kind under the mutual security program that has been declassified.

The Development Loan Fund book is the only one that is available outside the committee room and I am assured that if any Member of the House desires a copy, DLF will be glad to supply it.

#### 1. ITS STAFF AND STRUCTURE

The first impressive fact about the DLF operation is its modest overhead. It is not a top-heavy organization. Its administrative expenses, up to March 31, 1959, were less than one-third of 1 percent of its capital or lending authority—and also less than one-third of 1 percent of its loan commitments. This is a substantially smaller percentage than obtains in either the Export-Import Bank or the International Finance Corporation.

Its staff at present is approximately 65 personnel. Of these, 32 are in the higher professional grades. This is to be compared with a staff of 593 in the World Bank, which is currently loaning at about the same rate as DLF.

The experience and professional background of the staff are impressive. Twenty-seven of the top thirty-two have had prior service in the Government. At least two-thirds of these have had extensive overseas service. Over one-fourth have had prior banking experience. I was impressed by the fact that, while possessing considerable experience, two-thirds of the top staff were in their thirties or forties. They evidence a keen sense of enthusiasm for and dedication to this new venture in overseas economic activity.

The staff occupies several floors of a small building on I Street. I walked through most of the offices. While the Managing Director and several of the top officials have fairly large offices fac-

ing on I Street, most of the other employees, including loan officers and lawyers, share office space with several others. Glass partitions are used to provide some privacy. In short, the offices are neither lush nor elegant, but rather crowded and geared to essentials.

The organization of DLF is simple. Apart from the Managing Director and his special assistants, the Secretary's office, and the office of General Counsel, there are two divisions. One, under the Deputy Managing Director for Finance and Development, develops financial policies and special programs such as promoting private investment and local development banks. The bulk of the routine work of DLF is done by the Loan Operations Division, through 10 loan officers, assisted by 2 engineers, and the services of ICA auditors and engineers, as well as outside engineers. Work in the field is done through ICA and Embassy personnel. Each loan officer is in charge of a certain area and occasionally makes on-the-spot visits. This, in an era of gigantism in Government, is an example of a small organization doing a big job through the intelligent use of available resources.

The Fund will need to increase its personnel during the coming year up to about a hundred, for the simple reason that it will have reached the stage where it will be facing for the first time the task of administering, followup, and checking on the work being done and on repayments. This kind of postloan work, according to the experience of the World Bank, accounts for about 70 percent of the burden. Even after this increase, the Fund will remain a tiny office when compared with many a motor pool, military commissary, or other governmental grouping. And yet upon its effectiveness will rest a large share of our chances for success abroad in the years ahead.

#### 2. LOAN PROCEDURES

Mr. Speaker, an intelligent appraisal of the Development Loan Fund cannot be made without a detailed understanding of its procedures for screening loan applications, acquiring all relevant information, executing loan agreements, and following up on each project as moneys are disbursed. To secure this background, I spent about 7 hours on 2 days in the DLF offices, studying each step, discussing actual cases, and reviewing the pertinent records.

Origin of the loan application: Applications reach DLF usually in one of two ways. They can be presented directly to the Washington office by a company or country ambassador. Or they can be presented to an ICA mission or embassy abroad. In the past there has been no specialization of function but in the future one person in the ICA Mission or the Embassy will serve as the DLF local representative.

There is, as I shall bring out, a philosophy at DLF against having a large number of forms. This, to me, is a refreshing revolution in bureaucracy. The philosophy is first evident in the absence of a special form for an application. When I asked why no form was used, I received the sensible answer that a form

might indicate to the applicant in the underdeveloped country that getting the loan was just a matter of filling out a form.

An important point to note is that the applications are prepared by the prospective borrower—not by our Mission representative. We do not, contrary to the suspicions of some, try to drum up business. What our people in the field do try to do is to encourage a prospective borrower to get sound engineering help in preparing data to support an application.

They also make clear the standards governing consideration of applications. The four basic guidelines are, first, other sources of financing on reasonable terms must be explored and found not available; second, the project must be sound; third, it must be the kind of project which helps develop resources or productive capacity; fourth, it must not be the kind of project that would react adversely on the U.S. economy.

DLF policies, implementing these statutory guidelines, preclude loans to exporters to finance sales abroad, loans to finance imports for resale, working capital loans, and refinancing loans.

Finally, the field officer, if he forwards the application, also sends in a preliminary appraisal of the applicant. If the loan is presented to DLF by the applicant, the field officer is also asked for a preliminary appraisal.

Preliminary screening: One of the most misunderstood steps in the DLF procedures is the preliminary screening that is given all applications and inquiries. A Special Assistant to DLF's Managing Director scrutinizes every inquiry and application, applying such tests as the following:

- (a) Is the proposal from or does it involve a project in an underdeveloped friendly nation?
- (b) Would it appear to make a contribution to the economic growth of the nation?
- (c) Does it tend to earn or save foreign exchange or increase per capita production of essential goods?
- (d) What efforts have been made to obtain financing elsewhere?
- (e) Adverse effect if any on U.S. economy?
- (f) Attitude of the host government and priority?
- (g) If in the public sector is financing of local costs available?
- (h) If in the private sector is a contribution to capital in an amount approximately equal to the loan sought disclosed?
- (i) Refunding, refinancing or working capital loans generally dismissed.
- (j) Joint ventures between United States and foreign investors encouraged.
- (k) Production of consumers' goods and service industries discouraged.

This screening has resulted in the final rejection of proposals such as those to finance luxury hotels in Jamaica, uncompleted office and apartment buildings in Bolivia, housing schemes in Mexico, a new airline in the United Kingdom, an oil pipeline in France, industrial plants in Sweden and Denmark, or projects in Japan.

From June 1958 to April 1959 some 250 inquiries and applications with a dollar amount of about \$900 million were weeded out at this stage. Now the source of great misunderstanding in the Congress is this: when DLF reports that after having made loan commitments of \$698 million—March 31, 1959—with backlog proposals under consideration of \$1.4 billion, the frequent assumption is that in this backlog are included the “dogs,” hare brain ideas, utterly fantastic dream castles. This is not the case. In the last 9 months almost a billion dollars of “chaff” have already been winnowed out from the “wheat”. The backlog consists only of proposals which have survived the rigorous preliminary screening.

#### THE REVIEW PROCESS

**First. Further information.** After preliminary screening it often happens that not enough information is available to determine whether the application merits serious consideration. The applicant is notified, and the U.S. Operations Mission receives a copy of the letter. If the needed information is not forthcoming, the file is closed. If the information is developed the application starts through its regular processing.

**Second. Export-import action:** The first regular step in the post-screening process is to send a copy of the application to the Export-Import Bank, ICA, the U.S. operations mission in the area, and the U.S. Embassy if there is no U.S. operations mission in the country. Nothing further is done with the application until the Export-Import Bank states that it is not interested. If, however, the Export-Import Bank expresses an interest, the borrower is notified that the proposal has been turned over to it.

That this step is highly productive is proven by the record. As of mid-February, 49 applications in 28 countries totaling \$282 million had been forwarded to the Export-Import Bank, and had not been returned to the Development Loan Fund. In 31 of these instances, nothing further was heard from the prospective borrower, even after DLF notified it that the Export-Import Bank was interested. Nine of the projects were currently under review by the Export-Import Bank. Three loans from the Export-Import Bank had been approved. Two were possibilities for later action. One was sent to the World Bank, one was a case where the Export-Import Bank notified the borrower it had no interest, and two were cases where the borrower failed to follow through.

**Third. Loan officer processing:** One of the ten loan officers begins his work in earnest after the Export-Import Bank shows no interest in the application. He maintains a steady, but informal, relationship with his opposite number in the World Bank—International Bank for Reconstruction and Development—which is within walking distance.

When an application reaches this stage, which is called category B—active consideration—a loan committee is established for the project. Consisting of an engineer—either one of DLF's two engineers or an ICA engineer assigned to DLF on a reimbursable basis—and a DLF lawyer, under the leadership of the loan

officer, this committee stays with the loan until it is repaid.

(a) **Acquiring additional information:** The committee looks into every phase—technological, economic, financial. Almost always it finds that it has insufficient information. It seeks to acquire this information from the borrower, from the U.S. operations mission in the field, from ICA Washington, from Export-Import Bank personnel, from the World Bank, and from our own departments such as Commerce and Agriculture.

(b) **Other sources of financing:** The loan officer must also consider other sources of financing. He must probe whether the project could be financed from private sources. He will therefore discuss the application with several U.S. financial institutions. If a borrower has a regular bank, that institution will often be approached. With the creation of a new Office of Private Enterprise in ICA, that office will often be approached. In my own investigation, I made a particular point of inquiring if private banks had been critical of DLF from the point of view of taking opportunities where they could have done the job. I found only one case where a private financial institution initially raised an objection. On further investigation it appeared that the terms of the proposed private loan were these: First, a loan at 10 percent interest; second, a 10 percent equity in the enterprise; and third, repayments in 13 months. The loan officer who is called on to judge whether other financing can be found on reasonable terms can hardly be objectively criticized for going ahead on the loan. Indeed the private corporation which made the offer has since admitted that DLF made a proper judgment in this particular case.

This entire process of surveying the loan proposal may take from a week to a year. The average time is several months. I had the opportunity of reviewing a number of files. The applications vary from sparse documents of a half dozen pages to completely documented projects containing volumes of economic and engineering reports. One of the latter involved a loan application for Malaya, involving a comprehensive port development at North Klang Straits. Here the engineers had done a most meticulous job. In other cases, the engineering must be done at the request of the loan officer. We do not do this engineering. The borrower must do it on his own or with the help of his government. Sometimes a government has a contractual relationship with an engineering firm which is in a position to help loan applicants.

(c) **Chronology of a loan:** In order to show the extent of explorations made during the active review stage of a loan application, I am inserting at this point the résumé of an actual file, deleting only the name of the country.

#### DLF PROJECT REVIEW PROCESS—CASE STUDY WATER DEVELOPMENT PROJECT

Pre-1958: Extensive surveying and technical assistance for 4 years on ground water needs by ICA; utilized services of U.S. Geological Survey team.

1957, December 27: Local government prepares preliminary loan project application, sends to DLF in January 1958.

1958, February 12: DLF requests USOM comment on: power sources, power distribution, costs.

February 18, 20, 28, March 19: USOM submits brief justification for assigning highest priority this project; replies February 12 DLF request; promises longer report.

April 23: With further information now submitted by borrower, DLF calls for formal engineering appraisal of application by ICA engineers.

May 9: USOM forwards its long report on project.

May 12: Application amended by applicant from \$11.7 to \$15.2 million.

May 23: DLF forwards U.S. Geological Survey (USGS) report to the ICA engineers appraising project and asks for early response.

May 27: ICA indicates to DLF cannot approve project as would contribute to production of cotton which is in world surplus.

June 3: DLF cables USOM for further breakdown on application for use in Staff Screening Committee.

June 13: ICA engineers provide DLF with appraisal recommending approval only if suitable engineering plan developed, power supply assured.

June 17: DLF presents project to DLF Board (Loan Committee) for approval, together with analysis of cotton problem, indicating that foodstuffs and miscellaneous items comprise more than 80 percent of present production in area affected and that, in view current world market situation for cotton and demand for additional food grains for domestic consumption, it would be unrealistic to expect any substantial increase in production of cotton; the Board defers action pending USGS technicians report.

July 11: Board hears U.S. Geological Survey technicians report on project; defers action until can be considered together with High Tension Grid project.

August 8: Board approves loan subject to: (1) availability of funds from Congress, (2) consideration of High Tension Grid project.

August 25: Project submitted to National Advisory Council on International Monetary and Financial Problems.

September 8: NAC registers “no objection.”  
September 10, October 15: Correspondence with local government terminating with issuance of letter of advice.

October 13: DLF requests USOM ask local government nominate consulting engineer.

October 14, 31: DLF transmits to country's Embassy draft “terms of reference” for engineer; transmitted to USOM October 31.

November 21: ICA indicates high priority for water project per DLF request of October 9.

December: Draft loan agreement transmitted to DLF through USOM to local government.

1959: February 18: Loan agreement signed at DLF.

January-February: Director of local government water and power authority arrives and has series of discussions concerning engineering problems, method of obtaining disbursement of DLF funds, terms of reference of engineering consultant, consultant he wants to consider employing, and other aspects of carrying out the project.

Next immediate step—formal DLF approval of engineering consultants; issuance of letter instructing borrower in the detailed actions necessary and procedures to be followed in obtaining disbursement of DLF funds.

(d) **Adverse impact on U.S. economy:** One of the issues gone into by the Loan Committee is the possible adverse impact

on the economy. Many applications obviously raise no problem. Projects involving food and some manufacturing enterprises raise the question. That the inquiry into this issue is a real one is proven by the record. One project was turned down because it posed the possibility of export of a citrus fruit product to the U.S. market. Another proposal, including development of lead and zinc mining facilities, was modified to exclude the lead and zinc part of the proposal. On the other hand, a shipbuilding facility on Taiwan was approved only after the American Shipbuilders Council gave it a green light. A textile mill in Sudan was approved only after it was ascertained that the product would be sold locally, in a market where U.S. products are not and could not be sold. A Turkish coal mine was approved only after it was found that the product would be used in Turkey which was not an importer of U.S. coal.

I might add that I am as sensitive on this point of possible adverse effect on our economy as anyone in Congress. It was at my initiative that this loan criterion was written into the Mutual Security Act. I come from a textile area which has been hard hit by technological developments, development of mills in the South, and foreign competition. Last fall when I learned about the negotiations for a textile mill loan in the Sudan, I wrote the Secretary of State for details. The answer convinced me that DLF had very thoroughly analyzed the impact of the proposed plant on our economy, and that it was not adverse. I had to agree with the analysis and the conclusion.

After all these explorations are concluded and the needed information accumulated, the loan committee prepares a paper on the project under review.

Fourth. Internal staff review: The paper is then thrown open for discussion at a meeting of top staff people in DLF. The soundness of the project is tested from every viewpoint before the paper is presented to personnel of other agencies.

Fifth. Interagency staff review: The paper is then presented to staff members from ICA, the Export-Import Bank, Treasury, the State Department, and the Deputy Managing Director of the DLF. At this meeting questions on policy are raised and the decision may be changed. While the points of view of the other departments are considered, DLF reserves the right to make the final decision at this level.

After this presentation, the paper is redone for the Board of Directors of the Fund.

Sixth. Board review: The Board consists of the Under Secretary of State for Economic Affairs, Mr. Dillon, the Director of ICA, the Chairman of the Board of the Export-Import Bank, the DLF Managing Director, and the U.S. Executive Director of the World Bank. Each of these individuals must, by the bylaws, come in person. No proxies are recognized. The loan officer makes the presentation.

The Board may change the recommendation, or reject it, approve it, remand it for further analysis or information, or delay its implementation. The Board

records its action in a formal resolution, incorporating the basic terms of the loan, if one is approved.

As of recently, the Board had acted on 105 applications. It had approved 78 loans and had either rejected or held in abeyance 27. It can be seen that review at this level, even after intensive loan committee processing, is not perfunctory.

Seventh. Review by National Advisory Council: Even if a loan application has survived all tests thus far, it must still be brought before the National Advisory Council on International Monetary and Financial Problems. This consists of representatives of Treasury, State, the Export-Import Bank, the Federal Reserve, Commerce, and others who may be interested, such as Agriculture, Bureau of the Budget, and Interior. Although this group's opinion is advisory only, such issues as possible adverse impact on our economy are gone into from different points of view.

#### COMMITTING THE LOAN

After these 11 steps have been taken, assuming favorable action at all levels, the loan commitment is made. It takes the form of a letter of advice to the borrower which performs two functions. It sets forth the basic terms of the loan, including principal amount, purpose, interest terms, terms of repayment of principal, the amount of paid-in capital or local contribution required, and reference to the detailed terms of the forthcoming loan agreement. It also arranges a date for public announcement of the loan.

At this point the amount is recorded as a DLF commitment. When an offer is made the DLF follows the practice of any private bank in considering the funds committed and no longer available for further lending. Not only would it be, from a practical viewpoint, impracticable to consider it otherwise, but this practice is in accord with the procedure of such Federal lending institutions as the Export-Import Bank, the Housing and Home Financy Agency—in its urban renewal and college housing programs—Public Facility Loans, the Public Works Planning Advance Program, and the Federal Housing Administration.

#### THE LOAN AGREEMENT

As soon as staff capacity allows, the final loan agreement is dispatched to the borrower. At first a period of several months elapsed. The gap is now reduced to several weeks. It is DLF's intention in the near future to have the loan agreement sent along with the letter of advice, which would serve chiefly as a letter of transmittal.

There is no automatic boilerplate loan agreement. But with increasing experience DLF has developed many useful provisions which are now included in most agreements. I have inspected the type of agreement frequently used. As a lawyer I have been impressed by two facts: The completeness of the document, and the lack of reference to external regulations or other documents. Reading the agreement is a far cry from reading a section of the Internal Revenue Code.

The agreement begins with the amount—which allows DLF to use local currencies instead of dollars where they are available—the purpose, and the use of the loan. The terms of repayment are carefully spelled out, including necessary technical provisions as to rate of exchange. These provisions are favorable to the United States in that the rate on invisible transactions such as dividend transfers where such a rate exists, is the rate required on local currency repayment. Another article deals with the mechanics of handling promissory notes, their terms, form, transfer, and so forth. The procedure of advancing funds is covered by provisions for letters of commitment and other forms of disbursement. There are stringent requirements for legal opinions and cut-off dates for performance of such conditions precedent. An important article concerns rules governing procurement, with requirements of reasonable prices, competitive bidding, notice to the ICA office of Small Business, confinement to free world sources, and incorporation of the 50-percent American shipping provision.

The provisions on covenants and remedies of DLF should satisfy any lawyer's scrutiny. Conformity to plans, maintenance of equipment, appropriate marking of supplies and equipment, keeping adequate books with a right to examine, right to inspect the project, notice of adverse developments, control over fees and commissions are the major covenants. The conditions of default and termination are also meticulously itemized, including even the unilateral determination by DLF that the borrower will be unable to perform its obligation or that the loan will not fulfill its purpose. An interesting provision is that in case of default, not only is the principal amount due immediately, but it is then repayable in U.S. dollars.

From this brief review of the loan agreement I think you will agree that it is a lawyerlike document and fully protects the interests of the United States.

#### 3. POSTLOAN PROCEDURES IMPLEMENTATION LETTER

After the loan agreement has been negotiated to the satisfaction of lender and borrower, the next step is the implementation letter. This tells the borrower specifically what it has to do to begin activity, such as the kinds of records and reports needed, how to open lines of credit, etc. The borrower can choose between obtaining letters of credit for the suppliers to draw against and direct reimbursement by DLF on presentation of vouchers.

Most projects require a resident engineer, whose choice is subject to a veto by DLF. If a project is very complex, a management firm may be required.

#### AUDITS

Auditing is a controller function and is done by ICA on a reimbursable basis. As funds reach the disbursing stage, the cost of this function will increase.

#### SURVEILLANCE

The importance attached to adequate followup procedures is evidenced by the

fact that a Deputy Chief for Loan Implementation is in charge of this area. A new approach is being developed, which promises a high degree of systematic efficiency. Rather than conduct checks and studies on end uses of materials, DLF is seeking to build into each loan agreement a system of targets and reports. Not only does this approach force better planning, but it provides to the loan officer a series of progress indicators at a minimum of effort. Supplementing the reports would be trips to the site of the project.

In this area of followup, DLF must pioneer in some procedures, for its task is unique. Its period of concern is much longer than that of ICA in its grants. Indeed, one of the great advantages of the loaning process is that both careful preloan planning and detailed postloan checking are expected and accepted by the borrower. In the case of grants they are often resented.

DLF's postloan obligations are more extensive than those of the Export-Import Bank, which finances exports and has less need for a lengthy surveillance system.

As of March 31, 1959, although DLF had committed all but \$844,000 of its capital of \$700 million, its actual expenditures were only \$32.7 million. The coming year will see a greatly increased rate of disbursement as plans reach final form. The implementation function of DLF will then leave the drawing board and be a most important activity. This is the chief reason for the need of additional personnel for fiscal year 1960.

#### 4. THE RECORD TO DATE

I have attempted to study each of the 78 loans committed as of March 31, 1959. Where the available information raised questions in my mind, I asked them. I would like to review the existing loan record as it appears to me.

#### TYPES OF PROJECTS

The great majority of the loans can be divided into categories which on their face evidence an obvious and direct connection with the basic kind of economic development which DLF seeks to stimulate. I have made the following tabulation:

Telecommunications projects—improving the basic communications system of a country: Liberia, Iran, Korea, Uruguay.

Power facilities—including dams, design work, gas transmission: Libya, Israel, Jordan, India, Pakistan, Taiwan, Thailand, Korea, Nicaragua.

Manufacturing facilities: Sudan—textile; Tunisia—pulp; Greece—fertilizer; Turkey—coal, plastics, and chemicals; Yugoslavia—nitrogen; Jordan—phosphates; India—cement, jute, chemicals, sugar, paper, metallurgy; Korea—cement; Taiwan—cement, shipbuilding, coke oven, aluminum; Nigeria—warehouse; Guatemala—bag factory; Bolivia—sugar; Liberia—logging.

Port development: Pakistan, Indonesia, Malaya, Thailand, Chile—airport.

Highways and railroads: Tunisia, Ceylon, India, Pakistan, Yugoslavia, Indonesia, Malaya, Philippines, Spain, Tai-

wan, Argentina, Ecuador, Honduras, Brazil.

Water and irrigation: Iran, Israel, Ceylon, Pakistan, Vietnam, Paraguay, Spain, Haiti.

Loan funds—for reloaning to local banks and small private industry: Somalia, Israel, Turkey, Pakistan, Philippines, Taiwan. In addition, there is a loan to the Government of Guatemala which will be reloaned to private producers of rubber.

Miscellaneous: Some loans do not easily fit into the categories I have listed. Such is a loan for an aerial mineral survey for Turkey, and loans for steel shipments to India.

A particular type of loan deserving a special mention is that made to resettle immigrants. Such loans have been made in Brazil, Costa Rica, and to the Netherlands. While being directly connected with economic development, these, in my opinion, stem from direct legislative history constructed on the floor of the House during debate, when it was stated that resettlement of Dutch immigrants in Australia and resettlement projects in Latin America would be eligible for DLF assistance.

#### THE PRIVATE SECTOR

It is an objective of our foreign policy and of DLF to stimulate economic activity in the private sector. Many of the projects I have listed are basic economic projects which are necessary to set the stage and create a framework within which private business can develop and prosper.

Many loans, however, have a direct and immediate effect on private industry. Three major types of loans are involved. The first is loans made to private firms. As of March 31, 1959, 23 of 78 loans were made either to a private borrower alone or—in four cases—to a combination of public and private interests, for a dollar total of \$92,370,000.

The second type of loan directly affecting the private sector is that made to local development banks. Such institutions are the Credito Somalo—Somalia; Taiwan Land Bank; Small Industry Fund—Taiwan; Industrial Development Bank—Turkey; Pakistan Industrial Credit and Investment Corporation; Israel Industrial Institution; Small Industry Loan Fund—Philippines.

It is through these organizations that DLF is able to reach the small private businessman whose application is under \$100,000. Approximately \$30 million has been loaned through this medium. This in my opinion is one of the most effective policies of DLF, since it is directed toward the creation of small, indigenous private enterprise.

The third type of loan benefiting private enterprise is that which is made to a government, or a government instrumentality, but which is used by private concerns. Loans of this type amount to \$157,474,000.

A fourth means of supporting private investment is through a guarantee of a private loan. So far DLF has made one guarantee, for the Ingalls-Taiwan Shipbuilding project, covering a \$4.5 million loan from the Bank of America and the

Marine Midland Bank. I look forward to increasing use made of this device, as DLF's loan experience broadens.

#### DOLLAR REPAYMENT

Although the purpose of DLF is to make loans in situations where dollar repayment cannot ordinarily be expected, there are occasions when ordinary financial channels cannot be used and yet repayment can be made in dollars. Such an instance would be where a commercial bank would be willing to loan for only a very short period. It is for this reason that DLF, up to February 28, 1959, had made 18 loans calling for dollar repayment in the amount of \$133,315,000. Up to that date this represented about 25 percent of the loans made and 20 percent of the total value—considerably higher than the earlier estimate of 7½ percent.

If there is any criticism of this record, it is not one which the American taxpayer is likely to make, or one consistent with the usual giveaway label.

#### EVALUATION

This study of DLF leads me to draw several conclusions which I deem amply supported by the evidence. Let me summarize them briefly.

First. The staff is well trained, competent, experienced, and remarkably small in numbers.

Second. DLF's procedures avoid the extremes of redtape while adequately providing for sound loans sensibly administered from the viewpoints of both lender and borrower.

Third. Its loans to date have been carefully selected to promote the purposes of the legislation.

Fourth. The purpose of the DLF has been made more important, not less, by the events of the past 2 years. The Soviet cannot compete in the field of sound, long range, businesslike planning of the kind which takes place when borrower and lender sit down to work out a problem. This relationship makes it possible for us to insist upon sound engineering and planning before a loan is made, without appearing to be patronizing or overweening. In the course of working out the plans for the loan, as well as following up in its implementation, there are developed an interest in the managerial skills which are most needed by an underdeveloped country. The loan process itself is a powerful incentive to the creation and expansion of trained private and governmental executives. Another inevitable result of the process is a closer tie with the borrower, based on both technology and the relationships of inspection, reporting, and payment created by the loan.

Fifth. The constant objective of the loan program is adherence to those philosophies and procedures that will bring the borrowing country to the point where it can, with a minimum of outside overseeing, execute its own projects and assume responsibility for self-development. This reflects a sharp change from the more lenient and paternalistic attitude of a grants-in-aid program which serves a different purpose and has a quite different objective. Because of

the nature of DLF's objective, its progress should be measured in terms of accomplishment and not, as is often the case, in terms of the rate of disbursement.

Sixth. One basic psychological advantage of DLF is that it proceeds on a project, rather than a country basis. It will only transfer its funds for specific identifiable activities that contribute directly to increased productive growth. Even in those cases when urgent economic requirements and political necessity required some broad commitments, those commitments were contingent on approval of specific projects. This focus on projects tends to take the operation out of the context of simply being an anti-Communist, cold war weapon. The paradox is that since this is so in the minds of recipients, it is all the more effective.

Seventh. The vital function served by the DLF, which distinguishes it from all other parts of the mutual security program, is best described by an analogy. Such parts of the program as military assistance, defense support, and special assistance are like the minimum amount of calories a person must take to subsist. They are a survival diet. But if a person is not merely to exist but to grow, he must have an added amount of calories. This added growth intake is what is supplied by DLF. The only ultimate chance of ending the necessity of providing the survival diet, in addition to the cessation of the Sino-Soviet military threat, is the long-range growth effect of the DLF calorie contribution. To confine our efforts to the survival diet would be both shortsighted and wasteful.

Eighth. The major roadblock to increased effectiveness of DLF is the lack of certainty as to its continued operation. No other banking institution would endeavor to operate on a year-to-year basis, at unknowable and fluctuating levels. It is false economy to project short-term authorization and funding procedures to the banking and loan field, desirable as they are for the operation of many Government activities.

Apart from technical cooperation—and a necessary complement to it—the Development Loan Fund can become our most successful single long-range foreign policy if we have both the courage and the sense to take off the wraps and allow it to do the job which 2 years' experience have proven it can do.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I am glad to yield to my colleague.

Mr. MONAGAN. I compliment the gentleman for his explanation of the activities of this agency. Certainly, in any questions that I may have, I do not suggest that I am opposed to this form of activity because I think it is most constructive and provides a better form for doing what we want in the world today than some of the direct grant programs that we have had in the past and have at the present time. But, I would like to say this. In my district, there is the Farrel-Birmingham Manufacturing Co. in Ansonia, Conn. This is a manufacturing organization which makes ma-

chinery. I recently had communication with this company concerning the Development Loan Fund, and it seems very appropriate to mention this at this time for any comments that the gentleman may wish to make. But, in the annual report of this company, the president says that one of the major disappointments was the loss of a sugar mill for Bolivia through German competition and that this mill is being paid for by U.S. Government funds under the Development Loan Fund. Incidentally, the value of this mill is approximately \$500,000. This letter is written by Mr. Franklin Farrel III. He goes on to say: "It was my understanding when the law was passed it was with the thought that underdeveloped countries could be helped." But, he feels that the condition has changed and also he thinks it is ridiculous, as he says on the one hand, to support programs such as this to permit the purchase of equipment outside the country and then to talk about large programs for distressed areas because of unemployment.

I wonder if the gentleman would be willing to comment on this observation made by Mr. Farrel.

Mr. COFFIN. I would be happy to do so. First of all, I certainly can understand and appreciate his concern. I think the decision made by the Fund in this case is probably the only decision which it could make under the law in the absence of a Presidential finding. The gentleman cited a company whose bid for this mill was the highest among the three. I understand that the borrower and the purchaser who finally bought the equipment in West Germany would have preferred to use a U.S. source, if there had been even a 5 or 10 percent differential. But, as the bids finally arrived, the highest bid was 20 percent higher than the next lowest bid. Now, half or over half of the money spent in these loans is being spent for products made in this country, in the United States, such as caterpillar tractors and other machinery for this mill. But it was this \$500,000 item that finally did not go to the United States. Now, the choice is ours to make. We can say, "Well, we are going to protect our own." But, if we protect our own, it means that the cost of any program is going to be increased and the costs go up 20 percent. I think, on the loan fund, you will find by and large most of the purchases have been made, or a very sizable proportion have been made, in the United States. This does not make your constituent at all happy; but, as a matter of basic policy, if we had a preference clause in there, it would limit the ability of our dollars to do the job overseas that we think needs to be done.

Mr. MONAGAN. Even though there may not be a preference clause in the legislation, is there in fact any rule whereby some preference is given to American vendors?

Mr. COFFIN. Let me say it is the procedure in the Loan Fund profit that the ICA Office of Small Business must receive notice from the borrower whenever he lets out bids for equipment. ICA must give a list of all the things and services being contracted for.

It is my hope that we shall improve our methods of notifying the business community so that our people will know ahead of time where the parts are to be purchased in this overseas business. I think we have an advantage in terms of quality of service which the borrower in this instance recognized and would have bought even at a slightly higher price because of the satisfaction he had before from another company.

Mr. MONAGAN. As the gentleman says, we have had experience with this program in other sections of the country, but naturally enough the impact is strong in this particular instance. I think that the reaction of the gentleman is understandable, in view of the size of the contract and the portion of the annual business that this would represent. It is that position I am interested in, in presenting here today, because I think it is a growing problem as this program expands.

Mr. COFFIN. I would like to say to the gentleman I would hope that as we develop a steady point of view toward Development Loan Fund operations, we can maintain a continuing level of sound projects. If we do this and develop our communications to the business community, then I would hope and think that we would have frequent opportunities to participate.

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to include an editorial from the Ansonia Evening Sentinel.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### A JOB FOR THE LAWMAKERS

We recommend to readers of the Sentinel thoughtful perusal of the remarks Franklin Farrel III, president of Farrel-Birmingham Co., Inc., made to the annual meeting of the directors today, and then ask themselves whether or not in certain aspects of our foreign aid program we have failed to take into consideration circumstances as they have been altered since some of the measures were written into law.

"One of the major disappointments," Mr. Farrel said, "was the loss of a sugar mill for Bolivia to German competition. The mill was paid for by U.S. Government funds under the Development Loan Fund. It is my understanding that when the law was passed it was with the thought that underdeveloped countries could be helped not only by this equipment that was ultimately being installed but also by giving work in making the equipment to countries that were just getting back on their feet. It seems to us that this condition has changed and that we as a country should take another look at some of the programs such as this."

Mr. Farrel went on to say that his company's bid had been very close to actual cost, that it was well under other domestic bidders' prices, but nevertheless too high to compete with the German price.

"It seems to me that it is high time for the American public to take a good look at what it expects in the future. It seems ridiculous on the one hand to support such programs as the Development Loan Fund and permit the purchase of equipment out of the country and then talk about passing multimillion-dollar programs for distressed areas in this country.

"The least we could do is to take advantage of what we are doing under one program to help ourselves."

Mr. Farrel made it clear his comments were intended in no way as criticism of the



administrators of the Fund for, he pointed out, by the way the law is written they are forced to act in certain ways.

Our United States Senators and Congressmen owe it to the American Nation to undertake a careful reappraisal of such programs in the light of altered conditions. To do this is not to scuttle the foreign aid program but rather to amend it in intelligent recognition of the economic changes in the situation certain phases of it were designed to fit.

It seems plain that in the case of the Development Loan Fund, Congress has failed to keep abreast of the times. An early reappraisal of such aspects of the foreign aid program is certainly in order, to give the American people a clear idea of where the laws enacted under other conditions are leading us under today's conditions.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. GROSS. I regret that I did not hear all of the gentleman's remarks. I understand you are talking about the Development Loan Fund.

I call attention to a loan to Yugoslavia for the purchase of some 16 diesel locomotives and other equipment running into a good many million dollars. Are they going to purchase those locomotives here?

Mr. COFFIN. It is my understanding, based on the testimony in the hearings in the other body, that they will be purchased in this country.

Mr. GROSS. In reading a list of the loans that have been made or are proposed to be made under the Development Loan Fund, I was surprised to find there was a loan to Sudan, in which it was stated that the product they got in competition, the product derived from the loan, but there is no such statement with respect to the loan to Yugoslavia for the purchase of diesel locomotives and other railroad equipment.

Mr. COFFIN. The loan would enable them to purchase diesel locomotives to help rehabilitate their transportation system. There is no production of an exportable commodity involved.

Mr. GROSS. Has the gentleman mentioned a loan to Israeli, that has been made to provide that the money be loaned to Israeli that they may in turn loan it to their people?

Mr. COFFIN. It is the only way, or I will say the best way, that these loans can go to small businessmen. Where you have loans under \$100,000, rather than making every one come here and go through all the redtape, there are in several countries small loan organizations. They may be agencies of the government. They usually are.

They make the final loans to fishermen and small business of many kinds in Israel, the Philippines, and some other countries. I think this is one of the best parts of the program.

Mr. GROSS. The gentleman thinks this policy of lending money to a country and they in turn lending it without further knowledge on our part is a good thing? We do not know how much money is lent, what rate of interest will be charged, or anything. Is the gentleman saying that is good policy?

Mr. COFFIN. I will say to the gentleman that we control the repayment of the principal, the covenants, the termination, the default clauses; those are in

the original agreement with the principal borrower. In a sense we have got to trust its judgment because through it we will get the money back.

Mr. GROSS. But that has got to be from lending money to a country. Its recommendation will be regarded the real guarantee of repayment.

Mr. COFFIN. I will say to the gentleman that the purposes of the sub-loans must be in conformity with the purposes of the major loan, and they have got to be in conformity with the purposes of the act. They cannot use them to train chorus girls in dancing in so-called underdeveloped countries.

Mr. GROSS. I wonder, if the gentleman will yield further for an observation and a question, whether if such loans are to be made you would turn them over to any government and say to the government, "You go ahead and lend it to your people." The point of my question is, how are you going to conduct the operation of that sort of loan? How large an army of investigators would we need?

Mr. COFFIN. The gentleman realizes that we have not disbursed great moneys up to this point. It takes a long time to execute a loan and then the money goes out at a slow rate. But I will say that there is a system which is being developed, and I think it is an admirable system, for following up these loans to save the use of personnel, and specifically it is this: When the loan agreement which we have described is signed then there is an implementation letter and that letter tells the borrower what he has got to do, and it incorporates time limits, that is, target dates, for reporting. It is very specific and should save a lot of shoe leather in finding out just how this loan is being used, and the progress of work under the loan. Actually, it should save a great deal of bird dogging and other reporting in keeping track of them.

Mr. GROSS. If the gentleman will yield further, do I understand that the gentleman feels it is a good thing that we do buy equipment in other countries under certain conditions? I believe the gentleman said a moment ago in response to another question that we would save money by buying in foreign countries. Is that correct?

Mr. COFFIN. No; I said the basic policy decision is a matter that has received very careful consideration.

Mr. GROSS. How does the gentleman feel about the proposition of whether we should buy products in foreign countries or should not buy products in foreign countries? How does the gentleman feel about that?

Mr. COFFIN. I would like to continue as we are doing now, buying most of the things in this country, but buying some things in other countries that will make the project less expensive to the American taxpayer.

Mr. GROSS. I will say to the gentleman that we are now, in the committee of which I am a member, we are now holding hearings on a bill that would pay direct subsidies from the U.S. Treasury to the New England fishing industry that is flat on its back, according to all witnesses testifying.

Mr. COFFIN. Flat as a flounder.

Mr. GROSS. Yes, flat as a flounder, or flat as a groundfish, whatever they are. The New England fishing industry is on its back because of imports of foreign fish. That is what every witness has told us. The only alternative to this situation, these witnesses tell us, is to grant the right to purchase in foreign countries, to buy fishing vessels manufactured in Japan, produced or constructed in Japan or some other country, or a subsidy from the U.S. Treasury. That is getting around to the same thing the gentleman is talking about here. What is the committee going to do? Are we going to amend the Shipping Act?

Mr. COFFIN. It is not getting around to the same thing I am talking about. I appreciate the gentleman's point of view but I am talking about the Development Loan Fund, which is an instrument of policy to help us in so many nations of the world achieve not only stability but a growth rate that will eventually make these countries stable politically and will eventually make them greater partners to our mutual profit in the long run. It is a long-range proposition.

Mr. GROSS. I will say to the gentleman that when either the mutual security bill, the foreign give-away bill, or the Development Loan Fund bill comes to the floor of the House I shall be ready with an amendment to take some of the money from that to give your New England fishing people who are in extreme difficulty because of the extension of the Trade Agreements Act, the Reciprocal Trade Agreements Act, which is reciprocal on a one-way street only. I will be here with an amendment to give you some money out of that bill.

Mr. COFFIN. I appreciate the gentleman's concern over a real problem and I always look forward to his amendments with relish.

Mr. CARNAHAN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from Missouri.

Mr. CARNAHAN. I want to compliment the gentleman for the informative, constructive statement he is making. I wanted to ask the gentleman: Loans are made to private industry as well as to governments, is that correct?

Mr. COFFIN. Yes. I may say to the gentleman that loans are made to private industry in several ways. The statistics are, as of March 31, that 23 of the 78 loans have been made either to a private borrower or to a combination of public and private interests for a total of about \$92 million. In addition to that, we have local development banks in several countries. We have 7 or 8 of them and the money is made available by these banks to small industries in a particular country.

Mr. CARNAHAN. Just one further short question. Loans are also made from the Development Loan Fund in connection with applications for loans from the Export-Import Bank and the World Bank?

Mr. COFFIN. The Development Loan Fund has joined on a number of occasions with the Export-Import Bank and in some cases with the World Bank.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from California.

Mr. COHELAN. First of all, I would like to compliment the gentleman for a very informative discussion on this very vital topic. I hope that the information forthcoming from the discussion will help guide us in our work. I personally hope that it leads to a reconsideration and a further nourishment of the Development Loan Fund. I was particularly interested in the gentleman's colloquy with the gentleman from Iowa. I am wondering if the gentleman would have any information about the amount of these subsidies to the Government of Japan in connection with occupation and the general governmental supports that have been given to that Government in recent years as opposed to some of the trade problems that would permit them to finance and support their own Government economically.

Mr. COFFIN. I would like to say that we do not have any loans in Japan. It is not an underdeveloped country. The figures on previous aid and trade I do not have at my fingertips.

Mr. COHELAN. I hope the gentleman will forgive me. As I pointed out, my remarks are associated with the discussion that started between the gentleman and the gentleman from Iowa. Is it not true that in order to sell we have got to be able to put other countries in a position to buy?

That means that they have to have a balance of payments that will permit them to buy from us; is that not correct?

Mr. COFFIN. I would say that I know of no economist who would deny the truth of that principle.

Mr. COHELAN. You would agree, then, with a program whose object it would be to encourage a velocity of circulation of trade between the countries of the world, particularly in this time when we are trying so hard to protect the free world?

Mr. COFFIN. I think that would be a laudable objective.

Mr. COHELAN. I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. The point has been made before, I have no doubt, on this floor, and will be made again, that the United States has the greatest volume of trade per capita with the richest nations. Would you agree with that general observation?

Mr. COFFIN. That is certainly true.

Mr. JOHNSON of Colorado. The obverse or reverse of that position was stated by a good friend of mine very simply, that you cannot do business with paupers. Therefore, anything we can do to raise the standard of living, the level of income of persons overseas or in other countries, ultimately will increase their ability to buy from us; would you not agree?

Mr. COFFIN. I would agree.

Mr. JOHNSON of Colorado. Therefore, essentially what I gather you are asking us to do is to take those steps which would increase their ability to buy from us and therefore make it possible for Americans to enjoy a higher standard of living, even as people overseas would have an opportunity.

Mr. COFFIN. I think that is our long-range objective.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman.

Mr. COHELAN. I wonder if the gentleman would comment on the areas where we are paid in foreign currencies where we agree to accept foreign exchange. Do I understand that through the Fund we make this type of agreement?

Mr. COFFIN. Yes; that is the usual type.

Mr. COHELAN. I am wondering to what extent there have been any studies made in connection with what we do with this money after we get it.

Mr. COFFIN. Yes, there have been studies made and at the present point I think the chief focus of the studies is the extent of the accumulation and where the accumulation is. Last year the ICA had a study made of currency accumulations throughout the world. I think several committees of the Congress are making this study. I can say in all candor that I think we have not made as adequate a study as we shall have to of the use to which these currencies shall be put without imposing an inflationary thrust on local economies or without engendering local distrust and suspicion because of the growing accumulation. I think this is a problem we can lick. And I will say to the gentleman that the Development Loan Fund staff has a person working on just this problem.

Mr. COHELAN. I am delighted to hear that, and I thank the gentleman for this information, because this has been a concern of mine. I am delighted to hear that we are examining that area of the problem.

Mr. COFFIN. My final feeling on this point is this. When people come to me and say, We cannot do this because we are just piling up these local currencies, and we would not get them back and we may cause some resentment, I have them look at the alternative. I say that if you have a wound and if you put iodine on it, it may smart. But it does the trick. The alternative is infection. And here, if we do not proceed with this type of program with problems that have to be licked, and I think they can be—if we do not, then the alternative is, I think, rather disastrous.

Mr. COHELAN. May I comment further with the gentleman's permission? My major concern in regard to this problem without any technical information, is with the possible impact and imbalance it may create in connection with our foreign policy and in connection with the effect on the political life of the particular country. It seems to me that we have seen some warning signs in one or two countries where forces that are opposed to a development

of democratic forces are using this in their propaganda against our country.

Mr. COFFIN. I think the gentleman is right. It is a problem, but I think we can handle it with a great deal of tact. I think ultimately it may be very useful to us.

Mr. COHELAN. I thank the gentleman.

Mr. LEVERING. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman.

Mr. LEVERING. Mr. Speaker, I rise to compliment the distinguished gentleman from Maine for the very valuable discussion which he is leading today on this very important subject. Personally, Mr. Speaker, while I am on my feet, I want to take this opportunity to call the attention of my colleagues to the brilliant address which the distinguished gentleman from Maine made in my congressional district in Ashland, Ohio, on Saturday last. I compliment the gentleman on his discussion today. I believe the loan approach should more and more characterize our foreign assistance program. Perhaps this subject has already been covered, but I wonder if the gentleman from Maine would make some observations on how this type of program is received by our friends abroad as compared with the more-or-less giveaway program we have been carrying on.

Mr. COFFIN. I thank the gentleman for his remarks. I will say briefly that this is accepted very well. The people would rather be on a borrower-lender basis. When the Development Loan Fund people sit down with a recipient or a borrower and say, "In order for this loan to be approved you have to come up with certain plans, it has to be sound," he accepts this because he expects it in a banking context. If we gave them money and also said, "You have to have your project constructed in such and such a way," they would say, "This is capitalistic imperialism." So it changes the whole framework of our dealings with these people. It also makes it possible for us to follow up on the project without being considered interlopers. I think this is a very subtle but very vital point in the whole program.

Mr. IRWIN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. IRWIN. I have not risen until now to address my remarks to the gentleman because I have sat and learned more than any time since I have been in Congress. You have spoken of a subject which I agree will become more and more and more important in the years to come. Your exposition has been brilliant.

As the gentleman knows, I was born and raised in Argentina. That is not necessarily an undeveloped country, but the value of this type of program down there where the Communist threat is not important but certainly latent and dangerous, is tremendous. I think a careful exposition of the method of operation, an exposition of this includes many traditional American concepts, concepts of free enterprise, have been invaluable.

I know the people in my district in Connecticut are deeply indebted to you, and the people of Maine who sent you here.

Mr. COFFIN. I thank the gentleman.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. BURDICK. I would like to commend the distinguished gentleman from Maine for his able remarks this afternoon. As I understand, an application for a loan can only be made after it has been turned down by the Export-Import Bank and by the World Bank before he would be eligible here.

Mr. COFFIN. That is so.

Mr. BURDICK. I understand the loans are made to governments as well as to individuals and corporations?

Mr. COFFIN. That is correct.

Mr. BURDICK. And that the consideration may be paid in hard money or local currency?

Mr. COFFIN. It varies from case to case. Sometimes both in one loan.

Mr. BURDICK. My question is this: Are these local applicants—are they local as to the country or are they of a foreign nature?

Mr. COFFIN. Both. Many times they are indigenous people. The textile mill in Sudan, that loan is to a private individual who was an inhabitant of Greece, an anti-Communist; then left and went to New York and was successful in business, and he started this operation in the Sudan, bringing in technicians. You would not find in Sudan enough experienced people to guarantee a successful operation. I do not know the breakdown of how many are indigenous or how many are from the outside.

Mr. BURDICK. But there is nothing in the act that prevents a loan to a non-resident of a particular country?

Mr. COFFIN. No.

Mr. BURDICK. And there would be nothing in any repayment?

Mr. COFFIN. There is a requirement in the particular agreement.

Mr. BURDICK. But nothing in the act?

Mr. COFFIN. No. The act states that one of the four criteria is that this is a sound project and will contribute to the economic development of the country. But nothing referring to what particular currency it shall be repaid in, except this: If credit from a normal source is not available on reasonable terms, this means in many instances that they cannot get dollars.

Mr. BURDICK. Do you know to what extent loans were made to foreigners of a particular country?

Mr. COFFIN. In the Red Book that information is public on a case-by-case basis; whether it is private. But the borrower, as in the case referred to—a contract for a sugar mill in Bolivia—was a private company, local to Bolivia. But there will be others that will be U.S. citizens. There is one large Latin American loan to a U.S. citizen. I think I sense what is in the gentleman's mind. Would you agree with me we would like to stimulate local people going into business in their own country?

Mr. BURDICK. I agree fully.

Mr. COFFIN. And I agree with the gentleman. But I do not think we can do it all at once. There are many instances where you have got to have Americans go into that country and begin to show that the industrial project can be created and run successfully. So it is a matter of partnership. Not only to favor the policy of helping our U.S. businessmen but to see that projects are administered most successfully.

Here we have gone full cycle. We had an earlier colloquy on the question of directing all business to U.S. citizens. This tends to show that there is also something to be said for dealing with local nationals in the country of disbursement.

Mr. BURDICK. Again I would like to thank the gentleman.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from Massachusetts.

Mr. CONTE. I, too, would like to compliment the distinguished gentleman from Maine, and I would like to join with him in his remarks on this complex, vexing subject matter before the Congress. His speech is most informative and instructive, one the preparation of which has taken a great deal of time. He certainly is to be congratulated.

Mr. COFFIN. I thank the gentleman.

Mr. HALPERN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I am happy to yield to the gentleman from New York.

Mr. HALPERN. I have been a consistent advocate of the Development Loan Fund, and I want to congratulate the gentleman from Maine for his intelligent, enlightened, informative presentation here today. I want to thank him most profoundly for focusing my own thoughts on the subject and for enriching the Nation through this forum by giving this very valuable information. My compliments to you.

Mr. COFFIN. I am very grateful to the gentleman.

Mr. Speaker, I yield back the balance of my time.

#### FRIENDSHIP INTERNATIONAL AIRPORT

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Maryland [Mr. FRIEDEL] is recognized for 10 minutes.

Mr. FRIEDEL. Mr. Speaker, today has great significance for the people of Baltimore and for Friendship International Airport. It was just 1 year ago today that the first international flight by Pan American World Airways was inaugurated out of Friendship Airport.

In 1950, when Friendship International Airport was completed, it was immediately hailed as one of the truly fine air terminals of the world.

In fact, when this airport was planned, the use of fast jet aircraft was clearly envisioned with the result that today this superb airport is ready to accommodate and adequately serve the needs of the largest and most modern superfast jet aircraft.

That Friendship's runways are entirely adequate for the largest jets now being

planned was amply demonstrated when Friendship Airport was used as the eastern terminal for the Boeing 707's record-setting flight from Seattle.

Since that time American Airlines' 707 jet has visited Friendship setting a transcontinental record from Los Angeles. The Russian TU-104-A also landed at Friendship on a flight from Moscow. The British Comet III and IV have also been here, as well as the French Caravelle.

In addition, a number of new turbo-prop airplanes have been here, including the Fairchild F-27, the Bristol Britannia, the Lockheed Electra, and, of course, Capital Airlines' Viscounts are steady customers.

Friendship International Airport is the only airport in the country to have handled all of these jet airliners.

As a result of a joint study made by the Baltimore Airport Board and representatives of the various airlines, additional facilities required for efficient handling of these huge jets were installed and are now ready. These improvements include further extension of some of the taxiways, special fueling facilities, passenger-handling facilities, and so forth.

As I mentioned above, today has a great significance for the people of Baltimore and of Washington.

It was 1 year ago today that Pan American World Airways instituted regular service between Friendship and San Juan, P.R., our beautiful commonwealth in the Caribbean.

This has been a most happy new service for the people of the Baltimore and Washington area and a most productive one for Pan American.

This service has provided Friendship with its first direct link to the islands of the Caribbean and to the Republics of South America.

Many of Pan Am's long haul operations spread out from San Juan to such islands as St. Croix, Antigua, Guadeloupe, Barbados, and Trinidad; others proceed from San Juan to Brazil, Uruguay and Argentina.

Thus, Friendship became a truly international airport 1 year ago on the occasion of Pan American's first flight from Baltimore to San Juan. At the outset service was provided on a twice weekly basis. Almost immediately successful, the service was expanded to three weekly round trips, and on June 1, 1959, this service will be augmented still further to five weekly round trips. For this service the people of Baltimore are truly grateful.

That this new service has been tremendously successful for Pan American—the old pioneer—is added proof of the justification of the faith we have long held in the ultimate destiny of Friendship as a vital center of international air transport operations.

Mr. Speaker, apparently this is only the beginning of the fulfillment of Friendship's destiny.

I have learned that Pan American has applied for direct service from Friendship to the Orient, using the newest of long-range, high-speed, jet aircraft to place the Baltimore and Washington

traveler only 8 hours from Fairbanks, Alaska, and only 15 hours from Tokyo.

I am told, further, that the city of Baltimore and its active civic bodies are enthusiastically behind this application of Pan American.

For too long there has been an unbalance of competition in service from the east coast to the Pacific and the Orient, to the disadvantage of Baltimore, Washington and other east coast cities.

Several weeks ago President Eisenhower directed the Civil Aeronautics Board to proceed immediately "to initiate a proceeding consolidating all Pacific air route matters into a single record," and the President requested the Board to present its recommendations to him at the earliest possible date.

At the time of the public disclosure of the President's letter, I congratulated him on his action and joined with him in the hope that the Board would proceed swiftly to develop a clearcut policy of competition of air carriers between the east coast, over the great circle route to Seattle, Alaska, and the Orient.

I am more convinced than ever of the soundness of this objective.

In the past year Pan American has carried more than 10,000 passengers from Friendship to San Juan and beyond. It has airlifted more than 100,000 pounds of cargo. It has carried more than 15,000 pounds of Latin American-bound mail. Given the opportunity there is no doubt that Pan American can increase these figures to fantastic proportions in the opposite direction.

It is gratifying to me to know that the people of the Baltimore-Washington area are at last being offered the service to which they are entitled.

Eagle Airways first started flights from Friendship to Bermuda on March 21 with one flight per week. Just a few weeks later—on April 25—they increased this service to two flights per week.

I am happy to announce that Trans World Airlines and American Airlines will also inaugurate service out of Friendship very shortly.

TWA will start regularly scheduled jet plane service to San Francisco and Los Angeles on May 29, and American Airlines will begin regular jet service to the west coast from Friendship starting June 7.

To illustrate the growth of Friendship Airport I would like to point out that passenger traffic increased 24 percent in February 1959 over the corresponding month last year.

When regular jet service becomes an everyday event it is expected that connecting flights will be added so that Friendship will offer a wide selection of high class service so attractive to the residents of a large area of Maryland and the District of Columbia that flights will be heavily patronized.

Mr. Speaker, the past year has been one of genuine achievement for Friendship International Airport, making it a truly international air terminal.

I have every reason to believe that the bright future of Friendship will continue to expand in scope—and that the public can expect decided improvement in air-line service.

Friendship—truly an international air terminal—has arrived and is fully prepared for this wonderful jet age.

Mrs. GRANAHAN. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Pennsylvania.

Mrs. GRANAHAN. Mr. Speaker, Philadelphia has reason to join with our distinguished colleagues from Baltimore in calling attention to this anniversary, and for precisely the same reasons.

We, too, were without direct service to San Juan until a year ago today. Pan Am's thrice-weekly flights to Puerto Rico, in fact, originate in Philadelphia and then fly on to Baltimore. Conversely, on the return trips, the flights terminate in Philadelphia.

Actually, this is no "first" for Philadelphia as far as Pan Am is concerned. Several years ago this carrier began operations to Europe from Philadelphia International Airport. Even now, we connect via Pan Am with Idlewild Airport for that airline's jet operations to Europe.

Likewise, Philadelphia is one of the Eastern cities, in addition to Baltimore and Washington, which Pan American seeks to serve on its proposed route to the Orient. Like our friends from Baltimore, we also hope for expedited action by the Civil Aeronautics Board in order that this valuable service can start as quickly as possible. The city administration of Philadelphia, the Government of the State of Pennsylvania and innumerable civic bodies are enthusiastic about this proposal and will lend all possible assistance to Pan Am's application.

Mr. FRIEDEL. I thank the gentleman from Pennsylvania for her remarks.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent that any Member who desires to do so may have permission to extend his remarks in the RECORD following my statement on the subject discussed.

The SPEAKER pro tempore (Mr. ROBERTS). Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FALLON. Mr. Speaker, I should like to join with enthusiasm in the remarks of my distinguished colleague. I should also like to point out to him that Friendship has never been busier than in the past year. Already the Baltimore City Airport Board has announced plans to spend \$3 million in the next year to handle the 20 daily jet transport operations which the Friendship management anticipates.

It may be only a coincidence, Mr. Speaker, but the record would seem to indicate that the accelerated activity at Friendship coincided with the beginning of Pan American's service to San Juan.

No member of the Baltimore congressional delegation, I feel sure, carries the flag for one airline as against another. But when a carrier does come forward and propose a specific formula for not only increasing operations in and out of Friendship but in improving Baltimore's economic position on the trade

routes of the world, it behooves us to encourage that airline.

I join again with my distinguished colleague, Mr. Speaker, in hoping for an expedited hearing on Pan American's application to serve the Orient from Friendship. Only 2 weeks ago, our Government certificated another foreign airline, this time BOAC, to cross our country, a privilege that has been consistently denied Pan American.

Mr. FERNÓS-ISERN. Mr. Speaker, I think it appropriate to call attention to the first anniversary of direct flight by Pan American World Airways between Friendship Airport in Baltimore, Md., and San Juan, P.R. I am informed that these operations, which also serve Philadelphia, accommodated 20,000 passengers during the first year, which commenced on the basis of two round trips per week and after 2 months were increased to three round trips per week.

There is no doubt that this service, which takes only 5¼ hours, has convenience many persons having occasion to visit Puerto Rico from the Washington-Baltimore-Philadelphia area. Pan American World Airways has announced that commencing on June 1, 1959, this service will be increased to five round trips per week, and I understand that possibly when more equipment becomes available, this service may be increased to one flight each way daily. I understand further that when more express equipment becomes available, faster airplanes may be used, bringing Puerto Rico even closer in point of time to persons in this area.

Puerto Rico's discovery by increasing numbers of visitors from the continent, both vacationists and businessmen, prompt this kind of improved travel service between the mainland and the island. As new hotels are constructed and other tourist facilities are expanded at a steadily increasing rate, air service must keep pace. This has been true in the past and it will be true in the future.

It has been found that having discovered Puerto Rico and carrying recollections of a carefree vacation in this tropical paradise, visitors plan for repeat vacations in the same setting. This serves further to increase air traffic and to place additional demands on airline facilities, calling for better and faster equipment, such as has been illustrated in the case of the Friendship/San Juan run. I am looking forward to the day when jet aircraft may be used over this route slicing additional hours from flying time, and I hope that all my colleagues who have not visited Puerto Rico, may have an opportunity to do so in the near future, and that those who have visited Puerto Rico, may soon come to see us again.

#### WOBURN MAN RECOVERED FIRST CERAMIC CONE EVER FIRED INTO SPACE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include an article appearing in the Woburn Daily Times.

The **SPEAKER**. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

**Mrs. ROGERS** of Massachusetts. Mr. Speaker, the following article appeared in the Woburn Daily Times of April 24, 1959:

**WOBURN MAN RECOVERED FIRST CERAMIC CONE EVER FIRED INTO SPACE**

(Two Woburn men are in the news very much today in the history which will remain with us for generations. They are Richard Carbone, age 29, of Karen Road which is off School Street and who is a Boston College graduate and Dr. Charles Petty, a 34-year-old physician who resides on Glenwood Road in the Shaker Glen section of the West Side.)

The first ceramic shielded nose cone ever fired into space, after being sighted in the Atlantic Ocean by Carbone, has been recovered and is undergoing scientific tests and trials at the Avco plant in Wilmington.

The research tests are being conducted by the Research and Advanced Development Division of the Wilmington laboratories. The cone was recovered through the use of a monitoring program set up in cooperation with the Air Force and Navy by the Avco-Everett Research Division in Everett.

Richard Carbone, 29, of Karen Road, Woburn, a Boston College graduate was participating in the monitoring program aboard an aircraft when he sighted the dye marker in the ocean marking the location of the cone April 8.

The cone was found in the South Atlantic off Ascension Island.

Carbone identified other members of the optical monitoring team with him as Rochelle Prescott, of Arlington, and Dr. Charles Petty, of Woburn, both scientists, and Frank Pettis, of Wakefield; Frederick Conner, of Reading; Alan Evans, of Roxbury, all technicians, and Richard Buck, of Methuen, an engineer.

The cone came from a Thor Able two-stage rocket fired at Cape Canaveral April 8. It completed a 6,000-mile journey through space before reentering the earth atmosphere.

Carbone was flying at 6,000 feet about 200 miles an hour when he spotted the dye.

Carbone, father of two small girls, and son of Mr. and Mrs. Michael A. Carbone, of 58 Proctor Avenue, Revere, is one of a team at Avco-Everett, working on the design of monitoring equipment.

**POINT PREDICTED**

He said he was assigned to watch for the descent of the cone and to head for a pre-designated splash point that was figured before the missile was fired at Cape Canaveral.

"We didn't see the cone descend, but flying over the splash point area I suddenly spotted a dye marker in the water. I grabbed a microphone and shouted, 'There she is' several times before I found out the microphone was not engaged. A crew man ran up to notify the pilot, but by this time the dye was out of sight.

"We swung back and picked up its location. Our radio message brought other aircraft over the scene and then a Navy ship made the pickup. The nose cone came down by parachute and had balloons attached to it to hold it up in the ocean."

The nose cone was taken to Wilmington Monday and tests will be conducted at the laboratory which is under the direction of Dr. E. R. Scala.

According to Avco officials, the nose cone is 6 feet high and partly constructed of a reinforced ceramic known as Avcoite, an advanced heat shielding material developed at Everett and Wilmington.

Mr. Speaker, the Avco has now a very wonderful plant in my district at Wilmington, Mass., and on the 14th of

May they are dedicating another \$20 million plant in Wilmington. It will be one of the finest defense plants in the country. I hope on that day to congratulate the brilliant president of Avco, Mr. Victor Emmanuel, for selecting Wilmington and locating in Wilmington. I am deeply grateful to him and to his staff for their very great scientific achievements.

**CLARE BOOTHE LUCE**

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 10 minutes.

Mr. CONTE. Mr. Speaker, because of the grave importance of the appointment of Clare Boothe Luce as Ambassador of the United States to Brazil, I have taken the liberty today to write to Mrs. Luce as the result of numerous articles that I read in this morning's newspapers. I would like to read that letter which I address to her in this morning's mail.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., April 30, 1959.

HON. CLARE BOOTHE LUCE,  
Ridgefield, Conn.

MY DEAR MRS. LUCE: I am aware of the risks involved in urging a lady to disregard her husband's advice. Yet I do urge you to accept the appointment as Ambassador of the United States in Brazil, the position to which you have been nominated by the President and confirmed by the Senate. I do so because I believe that you can make a unique contribution toward better relations between the United States and Brazil and toward the cause of freedom throughout the world.

Your record in Italy offers abundant evidence of your ability in diplomacy. There you helped to resolve some of the most vexing of Italy's problems in foreign relations and to make Italy a staunch and reliable friend of the United States and a bulwark of freedom. This great task was done with such tact that you won the hearts of the Italian people in the process.

In judging your fitness to serve as Ambassador to Brazil, we have but one relevant test to apply. That test is to measure your record in your previous diplomatic assignment against what we might reasonably expect an American Ambassador to Italy to accomplish in the crucial period during which you served in Rome. You pass that test with flying colors.

May I point our considerations that deserve to be weighed carefully in making the decision that now confronts you?

In the process of confirmation of your appointment, you were subjected to a denunciation which Senator Bush called the most bitter attack on a Presidential appointee he had ever heard. The boorish and spiteful exhibition directed against you offends every instinct of decency, fairness, and gentlemanliness. Your feeling, after your ordeal, may well be, "Why put up with all this?"

Yet, if you resign because of the tactics used against you, how much more difficult it will be in the future to persuade other able and respected citizens to serve their Government. If demagogery carries the day in this instance, any irresponsible minority bent on blocking the execution of our foreign policy may well conclude that abuse of appointees will drive out of public life the most effective representatives of the policy they oppose.

Because of your writings and your service in Italy, you personify the determination of the American people to defend freedom in its conflict with communism. If you resign,

will many friends of freedom in Brazil and Italy and elsewhere conclude that we are not as resolute in our opposition to communism as they believed and hoped? If you resign, will this mean, in the broader context of the worldwide contest between freedom and communism, some kind of moral victory for those who are sworn foes of human liberty?

I trust that you will not consider it presumptuous of me to offer advice in a decision which must be yours alone. However, I think that you should know how some of us in Government feel regarding the importance of your accepting this challenge.

With my very best wishes, I am,

Cordially yours,

SILVIO O. CONTE.

Mr. HALPERN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. HALPERN. I should like to compliment the gentleman from Massachusetts on his letter to Mrs. Luce. I heartily concur in the text of that letter and the thoughts behind it. It is a worthy expression of confidence in a great lady, a brilliant citizen, and an outstanding public servant. Again, I compliment the gentleman from Massachusetts on his forthright expression to Mrs. Luce.

**H.R. 5777—A BILL TO MODERNIZE THE FEDERAL CREDIT UNION ACT**

Mr. PATMAN. Mr. Speaker, the 50-year history of the credit union movement in the United States has been an illustrious one.

The first 25 of these years is the history largely of a crusade by a few extraordinarily devoted people whose only concern was in helping establish a badly needed institution of self help. These individuals foresaw, and they demonstrated, that credit unions would be a tremendous force for encouraging thrift. They foresaw, and later demonstrated, that credit unions would be a practical means whereby people in moderate circumstances would make their savings available to one another in times of financial need, and at reasonable rates. All of the headaches and heartaches which so many people of modest means had suffered at the hands of the loan sharks were, they thought, unnecessary.

The remarkable success of credit unions was fully demonstrated in this 25-year history.

Twenty-five years after the first credit union was established, Congress passed, in 1934, the Federal Credit Union Act. This act not only provided for credit unions in States where State laws had not yet provided for them, but also tended to set a standard for credit unions which State legislatures have been inclined to follow in providing for appropriate regulations, limitations, and so on.

Today, 25 years later, there are 9,539 Federal credit unions. More than 10 million families belong to credit unions, either State or federally chartered. The operating record of these credit unions is one of tremendous success. Their loans to members are character loans, and their record in the field of personal finance is most enviable. During the

last 25 years the amount of loans which members have failed to repay has amounted to less than one-half of 1 percent of the several billion dollars which have been lent and repaid. During these years the credit unions have, furthermore, weathered a prolonged and severe depression. During both World War II and the Korean war millions of their members went into military service but the credit unions continued to serve these members as though they had never left home.

The soundness of credit unions has been established beyond any question. There is no question now by anyone that I know of as to whether credit unions are permanent institutions.

The Federal law is, however, out of date in a number of respects. Changes are needed which are not of a greatly consequential nature, yet they are most important to the credit unions as a means of easing some of their methods of operation.

I have introduced a bill, H.R. 5777, which would bring about these changes. These changes have been universally recommended by the local leaders of the credit unions. To mention the most important changes, they are as follows:

The present law allows the credit unions to make signature loans only up to \$400. Practical circumstances have greatly changed since that limit was set. Personal incomes are much greater and so, too, are prices, costs of hospital and doctors' bills, and so on. That limit would be raised to \$1,000. Similarly, the maximum term for which a loan can now be made is 3 years; that needs to be increased to 5 years. Another item of importance to the credit unions is that they be permitted to appoint a loan officer to act on loan applications under certain circumstances without requiring a meeting of the full Credit Committee.

State chartered credit unions can and do deposit their funds in other credit unions, or in what are called "central" credit unions, in times when they have a surplus, so that these funds may be made available to other credit unions. The Federal law, however, does not permit federally chartered credit unions to invest their funds in any except Federal securities and insured building and loan associations. So another amendment the bill contains is to allow the Federal credit unions similar privileges of depositing their surplus funds in central credit unions and, where needed, federally chartered central credit unions may be formed.

The honorable JOHN SPARKMAN, U.S. Senator from Alabama has introduced an identical bill in the Senate—S. 1786.

For a complete review of all the changes which H.R. 5777, S. 1786, would make, I offer the following summary:

**SUMMARY OF CHANGES PROPOSED IN FEDERAL CREDIT UNION ACT (H.R. 5777)**

This bill would:

First. Provide for the chartering of Federal central credit unions with a field of membership of Federal and State chartered credit unions, and directors

and committee members of such credit unions within a well-defined geographical area.

Second. Increase loan maturity limit from 3 to 5 years.

Third. Increase signature loan limit from \$400 to \$1,000.

Fourth. Permit appointment by the credit committee of one or more loan officers to approve loans up to the unsecured limit, or in excess of such limit if the excess is fully secured by unpledged shares.

Fifth. Permit loans to directors and committee members up to the amount of their shareholdings in the credit union plus the total unencumbered and unpledged shareholdings in the credit union of any member pledged as security for the obligation of such director or committee member.

Sixth. Permit investment by Federal credit unions in the shares of central credit unions.

Seventh. Permit the charging of a reasonable fee for the cashing or selling of checks.

Eighth. Provide for appointment of the supervisory committee by the president, one of whom may be a director other than the treasurer; such appointment subject to ratification by the board.

Ninth. Provide for one or more vice presidents.

Tenth. Change position called "clerk" to that of "secretary."

Eleventh. Prohibit compensation to any director, committee member or officer other than the treasurer for services rendered as such.

Twelfth. Permit appointment by the board of a membership chairman to act upon applications for membership within limitations prescribed by the board.

Thirteenth. Authorize board to compensate necessary clerical and auditing assistance (requested by the supervisory committee) and loan officers (appointed by the credit committee).

Fourteenth. Provide for declaration of dividends by the board of directors.

Fifteenth. Permit annual or semiannual dividends as the bylaws of each credit union may provide.

Sixteenth. Provide for review of an expulsion of a credit union member (if requested by such member) by the Director of the Bureau of Federal Credit Unions.

Seventeenth. Permit dividend credit for a month on shares which are or become fully paid up during the first 5 days of that month.

Eighteenth. Permit allocation of space in Federal buildings to credit unions having a membership composed of at least 95 percent of persons who are either presently Federal employees or are retired employees and members of their families.

Nineteenth. Expand act to apply to the several States, the District of Columbia, the several Territories and the several possessions of the United States, the Panama Canal Zone and the Commonwealth of Puerto Rico.

Twentieth. Include provision for conversion from Federal to State charter and vice versa.

Twenty-first. Include Bureau of Federal Credit Unions under provisions of Administrative Procedure Act.

Twenty-second. Make robbery of a Federal credit union a crime under Federal statute.

**HEARINGS BEFORE COMMITTEE MAY 11**

Subcommittee No. 3 of the House Banking and Currency Committee will commence hearings on H.R. 5777, and related bills, May 11, 1959.

**LAW DAY**

The SPEAKER pro tempore. Under previous order of the House, the Chair recognizes the gentleman from New York [Mr. HALPERN] for 10 minutes.

Mr. HALPERN. Mr. Speaker, President Eisenhower on January 2, 1959, proclaimed tomorrow, May 1, 1959, as Law Day in the United States of America. It is eminently fitting that our Chief Executive should thus direct the attention of the world to the liberty that freemen enjoy under law and order. It is important to emphasize the accomplishments of our system of free enterprise in contrast to the tyranny which enslaves so many people today behind the Iron Curtain. The United States on May Day celebrates "rule by law"; Russia celebrates "rule by man."

But let us look beneath the generalities. What is the necessity for the rule of law? Why is the supremacy of the law essential to the existence of the Nation?

What do we mean by this "law," which we thus pause to honor? There is "law," of sorts, behind the Iron Curtain. The life of men there is governed by regulations; their civil liabilities are laid down and criminal responsibilities defined. Is law in the United States so different? Here, too, we are met by law on all sides and at all stages, from the cradle to the grave—and beyond—if our estate was big enough.

The great difference lies in the source of the law and the nature of its claim to our obedience. The law to which we pay tribute tomorrow is law formulated by our freely chosen representatives in legislature assembled; law which thus reflects the wishes of the people governed thereby; and which, when it no longer does so reflect their wishes, can be changed accordingly.

It is law, whether Federal or State, based upon and measured by, a written constitution. And whence come those constitutions? Again, from the people governed thereby.

We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the Blessings of liberty to ourselves and our posterity, do ordain and establish—

Our forefathers who drew up that Constitution believed that the essence of the law is justice for all. For them the

Declaration of July 4, 1776, was a current, living statement:

All men are created equal—endowed by their Creator with certain inalienable rights, among them Life, Liberty and the Pursuit of Happiness. \* \* \* To secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.

Upon these principles was our Nation founded. The governmental structure built thereon has withstood the stress and strain of wars at home and abroad; for over a century and a half it has been an inspiration to peoples all over the world—an example of a government founded upon the idea of justice under law.

Thirteen times in this 170 years the people of the United States have amended their Constitution. They have clarified it in spots, they have added new principles as social progress throughout the country has called for them, but always within the orderly processes laid down by the original document. Today as ever, we have in this country a government of law. True, the law is administered by men, and men are not yet perfect nor infallible; but the principles of justice and equality embodied in the Declaration and the Constitution and the legislation enacted thereunder are more enduring than the lawyers who write them or the judges who administer them.

Today the free world stands in a period of unprecedented crisis and danger. Free people have never faced a greater challenge. There has never been a greater need than now for men who believe in law and order to stand and work together for the preservation of those ideals and standards upon which a government by law is built. Government, law, and the individual are indispensable to each other, if men are to remain free.

**U.S. GOVERNMENT LONG-TERM SECURITIES BEING SOLD AT RIDICULOUS PRICES ON THE UNSUPERVISED, UNREGULATED MARKET**

The SPEAKER pro tempore [Mr. ROBERTS]. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, on yesterday, for the first time since the early twenties the yield on U.S. Government long-term securities increased to more than the 4.25 percent.

The following market report appeared in the Washington Post this morning:

**GOVERNMENT BONDS**

NEW YORK.—Closing over the counter U.S. Government Treasury bonds, bid, asked, net change and yield for—

	Bid	Asked	Net change	Yield
T-2½s 60	97.23	97.25	-0.1	3.62
2½s 65-90	99.24	99.28	-----	2.77
T-2½s 61	97.4	97.8	-2	3.97
T-2½s 61	96.2	96.6	-1	4.10
T-2½s 62-59 June	94.20	94.24	-4	4.03
T-2½s 62-59 December	94.6	94.10	-2	3.95
T-2½s 63	93.20	93.24	-4	4.10
T-3s 64	95.8	95.12	-4	4.04
T-2½s 65	91.20	91.24	-4	4.25

**GOVERNMENT BONDS—Continued**

NEW YORK.—Closing over the counter U.S. Government Treasury bonds, bid, asked, net change and yield for—

	Bid	Asked	Net change	Yield
T-3s 66	93.8	93.12	-4	4.06
T-2½s 67-62	88.12	88.20	-8	4.17
T-2½s 68-63	86.16	86.24	-8	4.18
T-2½s 69-64 June	85.12	85.20	-8	4.26
T-4s 69	98.16	98.24	-8	4.15
T-2½s 69-64 December	85	85.8	-12	4.23
T-2½s 70-65	84.20	84.28	-8	4.25
T-2½s 71-66	84	84.8	-12	4.20
T-2½s 72-67 June	83.28	84.4	-16	4.07
T-2½s 72-67 September	83.18	83.26	-10	4.08
T-2½s 72-67 December	83.28	84.4	-14	4.02
T-3½s 74	97.2	97.10	-6	4.12
T-4s 80	98.2	98.10	-2	4.13
T-3½s 83-78	88.8	88.16	-4	4.00
T-3½s 85	87.28	88.4	-4	3.99
T-3½s 90	89.24	90	-4	4.07
T-3s 95	83.30	84.6	-6	3.81

The yield on 2.5-percent bonds on yesterday was increased to 4.26 percent as you will notice. Of course, the yield is increased by the prices of the bonds being lowered in value on the unsupervised, unregulated U.S. Government securities market. Bonds went down to around 83 on yesterday, which enabled the selling price to be on the basis of an interest rate annual return of 4.26. We have regulations and carefully supervised markets on which different stocks are traded and on which commodities such as onions are traded, but no supervised market for Government securities. We are careful about our onions but reckless with our bonds. In other words, the people trading on the U.S. Government securities market are not guaranteed an honest fair deal.

Under the present law, the Treasury cannot issue bonds and sell them providing in excess of 4¼ percent, so this market rate is in excess of the rate allowed by law. Naturally, these bonds did not sink to that rate because of any law, but because of the management of our monetary policies by the Federal Reserve Board and the U.S. Treasury. We have gone through two major wars and a major depression without anything like the present rates on Government bonds.

**AFTER WORLD WAR I**

After World War I, when Government bonds went down to about where they are now, the people of the Nation raised up in arms almost against such practice being allowed. It was terrible. It was a disgrace. We never did think that it would be done again. You know speculators were going over the country buying up those bonds at 85 cents, 84 cents, and 83 cents on the dollar, and in some remote areas 75 cents on the dollar. Then after they were all pretty well concentrated in the hands of a few people, the policies were changed and the bonds went up to 100 cents on the dollar and the speculators made a profit or a windfall of that difference. That disgraceful situation should never have happened again, but it has happened right here in broad daylight. Right here in the good old United States of America. Right here in the sight of the 436 Members of the House of Representa-

tives and the 98 U.S. Senators. What are we doing about it? We are doing absolutely nothing about it. Are we giving any consideration to it? Individuals are, yes, but as to committees, I do not know of any committee in the House or Senate that has taken any action concerning it.

**HIGH INTEREST INFLATIONARY**

High interest has been very devastating to our economy in the last few years. High interest has caused our national debt to be increased. High interest is inflationary. The only inflation we have in the National today that I can see, and I am just as much against inflation as anybody in the United States, is the high interest inflation.

I doubt that many Members of the Congress have taken the trouble to find out for themselves that the dollar is worth less today in comparison, let us say, to 1946 when it comes to the payment of interest on U.S. Government short-term securities than for the purchase of any other commodity or service. The interest rate for 1946 on short-term loans compared to Government short-term interest rates today are today almost exactly 10 times as high.

**A 10-CENT DOLLAR FOR INTEREST PAYING PURPOSES**

That means that the interest paying dollar of 1946 is worth 10 cents today. A 10-cent dollar for the paying of interest on short-term obligations by the U.S. Government that gets its money from the taxpayers. So that money that we are collecting from the taxpayers to pay interest on short-term Government obligations today is worth 10 cents on the dollar. If any Member knows of any other commodity or service where the dollar has gone as low as that, I wish that Member would speak up because I do not know of any case where the dollar has sunk so low as in the payment of interest on short-term obligations.

**HIGH INTEREST INCREASED OUR NATIONAL DEBT**

Had it not been for the interest rate increase commencing January 1953, our national debt today would be at least \$25 billion less. We would not have been compelled to increase the national debt more than once. We have increased it twice and maybe more than twice and we will continue to have to increase the national debt limit if we do not stop the outrageously high interest rates that are now in effect in the United States of America. Why we, as Members of the Congress, permit this to go on, I do not understand except we have so much to do and we are being pressed to do other things and we just do not have the time to take up all of these things.

But this has become so increasingly important that I think the Members of Congress should forget everything else and do something about settling this problem of the increasing interest rates. It has to be done or we will wreck our country. If the Communists in Russia want to wreck our country, and we are told that they do, they are certainly applauding what is being done in the United States today to increase interest

rates, because increased interest rates will unbalance every budget in America. It will unbalance the national budget, all State budgets, the budgets of all counties, cities, subdivisions, and even individuals and partnerships and corporations. All budgets are unbalanced by high interest rates. There is not one thing that can be accomplished that will have such a devastating effect upon the whole country and every person in the country as the increase in interest rates. So something must be done to stop this increase. Otherwise we are on the road to ruin.

I urge every Member to give serious consideration to what happened yesterday when the yield on Government bonds

went above the rate allowed by law. That should not happen. Let me give you an illustration. This was told to a congressional committee of which I am a member. The Federal Reserve Board last year furnished the banks enough free reserves, absolutely free, without a penny cost, for them to go into the market and purchase \$10,400 million in U.S. Government securities. That was manufactured money. That was money created on the books of the banks. Every dollar of that money must be paid. By whom? Every bill says "U.S. Government will pay on demand" so many dollars. That is how. That is you. That is the people. In other words, it is a mortgage upon all the property and upon all

the incomes of all the people of the United States to pay that money which was created by the flick of a pen on the books of the banks in 1958 in order to buy these bonds totaling \$10,400 million. If any Member of Congress can justify that, I wish that Member would speak out and I wish that Member would take the floor of this House and say that it can be justified. I know now that no Member will do that because no Member will try to defend that policy. It cannot be defended. But we have remained silent. We have not done anything about it. Now it has overtaken us in a devastating, ruinous way. We must immediately pay some attention and see if we cannot do something about it.

*Yields on long-term Government bonds, by months, 1919 to present*

[Percent per annum]

	January	February	March	April	May	June	July	August	September	October	November	December	Year
1919	4.63	4.70	4.73	4.72	4.67	4.69	4.72	4.78	4.73	4.71	4.81	4.90	4.73
1920	4.93	5.05	5.09	5.28	5.58	5.54	5.57	5.67	5.43	5.08	5.21	5.40	5.32
1921	5.23	5.28	5.27	5.24	5.25	5.27	5.25	5.22	5.12	4.83	4.64	4.47	5.09
1922	4.45	4.50	4.41	4.28	4.20	4.24	4.14	4.12	4.19	4.30	4.33	4.32	4.30
1923	4.32	4.33	4.38	4.39	4.37	4.34	4.34	4.35	4.36	4.40	4.37	4.35	4.36
1924	4.30	4.28	4.28	4.23	4.15	3.98	3.79	3.91	3.92	3.87	3.90	3.96	4.06
1925	3.96	3.95	3.96	3.93	3.87	3.79	3.79	3.85	3.85	3.82	3.79	3.80	3.85
1926	3.77	3.71	3.71	3.70	3.67	3.67	3.68	3.70	3.70	3.68	3.62	3.56	3.68
1927	3.51	3.48	3.37	3.35	3.31	3.34	3.36	3.32	3.30	3.29	3.23	3.17	3.34
1928	3.18	3.19	3.17	3.20	3.24	3.29	3.42	3.48	3.46	3.47	3.38	3.45	3.33
1929	3.52	3.62	3.74	3.64	3.64	3.69	3.64	3.71	3.70	3.61	3.35	3.36	3.60
1930	3.43	3.41	3.29	3.37	3.31	3.25	3.25	3.26	3.24	3.21	3.19	3.22	3.29
1931	3.20	3.30	3.27	3.26	3.16	3.13	3.15	3.18	3.25	3.63	3.63	3.93	3.94
1932	4.26	4.11	3.92	3.68	3.76	3.76	3.58	3.45	3.42	3.43	3.45	3.35	3.68
1933	3.22	3.31	3.42	3.42	3.30	3.21	3.20	3.21	3.19	3.22	3.46	3.53	3.31
1934	3.50	3.32	3.20	3.11	3.02	2.98	2.92	3.03	3.20	3.10	3.07	3.01	3.12
1935	2.88	2.79	2.77	2.74	2.72	2.72	2.69	2.76	2.85	2.85	2.83	2.83	2.79
1936	2.80	2.77	2.71	2.68	2.66	2.66	2.65	2.65	2.60	2.62	2.53	2.51	2.65
1937	2.47	2.46	2.60	2.80	2.76	2.76	2.72	2.72	2.77	2.76	2.71	2.67	2.68
1938	2.65	2.64	2.64	2.62	2.51	2.52	2.52	2.51	2.58	2.48	2.50	2.49	2.56
1939	2.47	2.44	2.34	2.30	2.17	2.13	2.16	2.21	2.65	2.60	2.46	2.35	2.35
1940	2.30	2.32	2.25	2.25	2.38	2.39	2.28	2.25	2.18	2.10	1.97	1.89	2.21
1941	1.99	2.10	2.01	1.96	1.92	1.91	1.90	1.94	1.94	1.88	1.85	1.96	1.95
1942	2.48	2.48	2.46	2.44	2.45	2.43	2.46	2.47	2.46	2.45	2.47	2.49	2.46
1943	2.46	2.46	2.48	2.48	2.46	2.45	2.45	2.46	2.48	2.48	2.48	2.49	2.47
1944	2.49	2.49	2.48	2.48	2.49	2.49	2.49	2.48	2.47	2.48	2.48	2.48	2.48
1945	2.44	2.38	2.40	2.39	2.39	2.35	2.34	2.36	2.37	2.35	2.33	2.33	2.37
1946	2.21	2.12	2.09	2.08	2.19	2.16	2.18	2.23	2.28	2.26	2.25	2.24	2.19
1947	2.21	2.21	2.19	2.19	2.19	2.22	2.25	2.24	2.24	2.27	2.26	2.39	2.25
1948	2.45	2.45	2.44	2.44	2.42	2.41	2.42	2.45	2.45	2.45	2.44	2.44	2.44
1949	2.42	2.39	2.38	2.38	2.38	2.38	2.37	2.34	2.22	2.22	2.20	2.19	2.31
1950	2.20	2.24	2.27	2.30	2.31	2.33	2.34	2.33	2.36	2.38	2.38	2.39	2.32
1951	2.39	2.40	2.47	2.56	2.63	2.65	2.63	2.57	2.56	2.61	2.66	2.70	2.57
1952	2.74	2.71	2.70	2.64	2.57	2.61	2.61	2.70	2.71	2.74	2.71	2.75	2.68
1953	2.80	2.83	2.89	2.97	3.11	3.13	3.02	3.02	2.98	2.83	2.86	2.79	2.94
1954	2.69	2.62	2.53	2.48	2.54	2.55	2.47	2.48	2.52	2.54	2.57	2.59	2.55
1955	2.68	2.78	2.78	2.82	2.81	2.82	2.82	2.91	2.92	2.87	2.89	2.91	2.84
1956	2.88	2.85	2.93	3.07	2.97	2.93	3.00	3.17	3.21	3.20	3.20	3.40	3.08
1957	3.34	3.22	3.26	3.32	3.40	3.58	3.60	3.63	3.66	3.73	3.57	3.30	3.47
1958	3.24	3.28	3.25	3.12	3.14	3.20	3.36	3.60	3.75	3.76	3.70	3.80	3.43
1959	3.91	3.92	3.92										

NOTE.—Long-term Government yields from January 1919 through Oct. 14, 1925, are unweighted averages of yields of all outstanding partially tax-exempt Government bonds, due or callable after 8 years, and those from Oct. 15, 1925, through December 1941 of all such bonds due or callable after 12 years. Averages for the 2 sets of bonds were identical from Oct. 15, 1925, through July 16, 1928. Beginning January 1942 through Mar. 31, 1952, yields are based on taxable bonds neither due nor callable for

15 years; beginning Apr. 1, 1952, through Mar. 31, 1953, on bonds neither due nor callable for 12 years. From Apr. 1, 1953, to present, series based on bonds maturing in 10 years or more.

Source: Board of Governors of the Federal Reserve System, "Banking and Monetary Statistics," 1953; Annual Report of the Secretary of the Treasury, 1958; and Treasury Bulletins.

**THE LATE HONORABLE JOHN C. KLECZKA**

Mr. DANIELS. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. ZABLOCKI] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, it is my sad duty to report to this House the passing away of the former Representative from the Fourth District of Wisconsin, the late Honorable John C. Kleczka.

Judge Kleczka died last week of a heart ailment, in his home in Milwaukee.

Judge Kleczka was a highly respected member of our community. He was an able lawyer, and a distinguished jurist. His public service to our community, and the Nation, spanned a period of over half a century. His personal and professional integrity, his civic activities, and his conduct on the bench, left an indelible mark upon our city.

Judge Kleczka was born in Milwaukee on May 6, 1885. He received his early education at the St. Stanislaus School. He was graduated from Marquette University in 1905, and took postgraduate work at the Catholic University in Washington, D.C., and at the University

of Wisconsin. He was admitted to the bar in 1909.

At the age of 23, Judge Kleczka was elected to the Wisconsin State Senate from the eighth district. He served two terms in the State senate, and headed a special income tax committee which formulated the present State income tax law. In 1918, he was elected to the U.S. Congress from the Fourth District of Wisconsin—the district which I have the honor to represent in this body. He was reelected in 1920, thus serving in the 66th and 67th Congresses. He did not seek reelection in 1922, choosing, instead, to return to his law practice.

In 1930, Judge Kleczka was appointed to the circuit court of Milwaukee. He



continued as judge until ill health compelled him to retire in 1953. He did, however, resume his law practice, and held the position of a conciliation judge and court commissioner at the time of his death.

Judge Kleczka was always very active in civic and fraternal affairs. He was one of the founders, in 1928, of the Gen. Casimir Pulaski Council, an organization of representatives of the many organizations in the Milwaukee County, composed of Americans of Polish ancestry. He served as the first president of that council. In addition, Judge Kleczka was associated with the Wisconsin Bar Association, American Bar Association, South Division Civic Association, Modern Woodmen of America, Polish National Alliance, Knights of Columbus, the Holy Name Society, and various other organizations.

In Judge Kleczka's death, our city, State, and Nation has lost one of its distinguished and prominent citizens.

On behalf of Mrs. Zablocki and myself, I convey our deep sympathy to his widow, Wanda, and to his family. May they draw some consolation from the thought that the good Lord has called him to be with His very own.

#### ADDITIONAL LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in announcing the program for next week I scheduled two suspensions to come up on Monday. I also desire to announce that there may be a suspension on Monday relative to the Railroad Retirement Act, in order to correct a mistake.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CHARLES C. DIGGS, JR. (at the request of Mr. MACHROWICZ), for 1 week, on account of illness.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONTE for 5 minutes today and to revise and extend his remarks.

Mr. RHODES of Pennsylvania for 60 minutes on Monday next.

Mr. HALPERN for 10 minutes today, to revise and extend his remarks and include extraneous matter.

Mr. PATMAN, for 10 minutes, today, to revise and extend his remarks and to include extraneous matter.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL

RECORD, or to revise and extend remarks, was granted to:

Mrs. GRANAHAN and to include extraneous matter.

Mr. PHILBIN in three instances, in each to include extraneous matter.

Mr. MARTIN (at the request of Mr. GROSS).

Mrs. BOLTON and to include a résumé she has made of certain testimony given in the Committee on Foreign Affairs.

Mr. SMITH of Iowa.

Mr. BRADEMÁS.

Mr. BROOMFIELD.

Mr. PORTER.

The following Members (at the request of Mr. CURTIN) and to include extraneous matter if so desired:

Mr. SCHERER.

Mr. KEITH.

Mr. AYRES.

The following Members (at the request of Mr. DANIELS) and to include extraneous matter, if so desired:

Mr. ZELENKO.

Mr. KARTH.

Mr. BARING.

Mr. IRWIN.

Mr. VINSON.

#### SENATE BILLS, JOINT RESOLUTION, AND CONCURRENT RESOLUTIONS REFERRED

Bills, a joint resolution, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 29. An act for the relief of Magda Kusen Canjuga; to the Committee on the Judiciary.

S. 33. An act for the relief of Bertha Glickmann; to the Committee on the Judiciary.

S. 114. An act to provide for equal treatment of all State-owned hydroelectric power projects with respect to the taking over of such projects by the United States; to the Committee on Interstate and Foreign Commerce.

S. 178. An act for the relief of Wong Bick Quon (Maria Wong); to the Committee on the Judiciary.

S. 181. An act for the relief of Mary (Marija) Grom; to the Committee on the Judiciary.

S. 182. An act for the relief of Yong Chul Jurgens; to the Committee on the Judiciary.

S. 199. An act for the relief of Stanislaw Siedlecka (Rejman); to the Committee on the Judiciary.

S. 219. An act to provide for the construction of a fire-proof annex building for use of the Government Printing Office, and for other purposes; to the Committee on Public Works.

S. 245. An act for the relief of Umeko Parker; to the Committee on the Judiciary.

S. 334. An act for the relief of Hilda M. Humpole Goldschmidt; to the Committee on the Judiciary.

S. 441. An act to extend the duration of the Federal air pollution control law, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 498. An act to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission; to the Committee on Interior and Insular Affairs.

S. 524. An act for the relief of Giovanni Malara; to the Committee on the Judiciary.

S. 548. An act granting the consent of Congress to a Great Lakes Basin Compact, and for other purposes; to the Committee on Foreign Affairs.

S. 587. An act to provide for the advancement of Captain Edward J. Steichen, U.S. Naval Reserve (retired), to the grade of rear admiral on the Naval Reserve retired list; to the Committee on Armed Services.

S. 593. An act for the relief of Angelinas Cuacos Steinberg; to the Committee on the Judiciary.

S. 601. An act to authorize and provide for the construction of the Bardwell Reservoir; to the Committee on Public Works.

S. 611. An act for the relief of Harry H. Nakamura; to the Committee on the Judiciary.

S. 625. An act for the relief of Sophie Stankus, also known as Sister Saint Ignace; to the Committee on the Judiciary.

S. 626. An act for the relief of Maria Wolfram; to the Committee on the Judiciary.

S. 843. An act for the relief of Ursula Gewinner; to the Committee on the Judiciary.

S. 848. An act for the relief of Petar Trbojevic; to the Committee on the Judiciary.

S. 940. An act for the relief of Anthony Lousedes; to the Committee on the Judiciary.

S. 1034. An act for the relief of Asae Nishimoto; to the Committee on the Judiciary.

S. 1239. An act for the relief of Herbert Westermann; to the Committee on the Judiciary.

S. 1315. An act for the incorporation of the Blue Star Mothers of America, Inc.; to the Committee on the District of Columbia.

S. 1368. An act to amend sections 503 and 504 of the Federal Aviation Act of 1958 to facilitate financing of new jet and turbo-prop aircraft; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 16. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake"; to the Committee on Interior and Insular Affairs.

S. Con. Res. 21. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 22. Concurrent resolution to print additional copies of certain hearings on transportation problems in Maryland, Virginia, and the Washington metropolitan area; to the Committee on House Administration.

#### ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 301. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives."

#### ADJOURNMENT

Mr. DANIELS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 57 minutes p.m.), under its previous order, the House adjourned until Monday, May 4, 1959, at 12 o'clock noon.

### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

912. A letter from the Clerk, U.S. House of Representatives, transmitting a communication from the Honorable Carlton H. Myers, candidate for the office of Representative in Congress from the 22d Congressional District of the State of Illinois at the election held on November 4, 1958, complaining about the conduct of the said election (H. Doc. No. 123); to the Committee on House Administration and ordered to be printed.

913. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the quarterly report of Federal contributions for the quarter ending March 31, 1959, pursuant to subsection 201(1) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

914. A letter from the Comptroller General of the United States, transmitting a report on the examination of the programs for constructing and equipping the Air Force Academy, Colorado Springs, Colo., pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67); to the Committee on Government Operations.

915. A letter from the Secretary of Health, Education, and Welfare, transmitting the Annual Report of the U.S. Department of Health, Education, and Welfare, for the fiscal year 1958; to the Committee on Education and Labor.

916. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting correspondence regarding the cases of Erica Weisz, A-6619080, and Otto Weisz, A-6226754, involving suspension of deportation under the provisions of section 244(a)(1) of the Immigration and Nationality Act of 1952, and requesting that the cases be withdrawn from those now before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

917. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to facilitate the administration of the public lands, and for other purposes"; to the Committee on Interior and Insular Affairs.

918. A letter from the Administrator, Small Business Administration, transmitting a draft of proposed legislation, entitled "Small Business Act Amendments of 1959"; to the Committee on Banking and Currency.

919. A letter from the Director, Administrative Office U.S. Courts, transmitting a draft of proposed legislation, entitled "A bill to repeal subdivision c of section 18 of the Bankruptcy Act (11 U.S.C. 41c) so as to eliminate verification under oath of pleadings"; to the Committee on the Judiciary.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER:

H.R. 6815. A bill to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H.R. 6816. A bill to amend section 57a of the Bankruptcy Act (11 U.S.C. 93(a)) and section 152, title 18, United States Code; to the Committee on the Judiciary.

H.R. 6817. A bill to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended; to the Committee on the Judiciary.

By Mr. DOWDY:

H.R. 6818. A bill to amend the act of August 16, 1950, relating to exclusion from the mails of obscene articles, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6819. A bill to amend section 3929 of the Revised Statutes, relating to the mail of persons conducting lotteries or fraudulent schemes; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H.R. 6820. A bill to amend the act of April 10, 1924, to provide a refund to retail dealers for taxes paid the District of Columbia on motor vehicle fuels lost due to evaporation and shrinkage; to the Committee on the District of Columbia.

H.R. 6821. A bill to prohibit certain persons from engaging in the general practice of law in the District of Columbia; to the Committee on the District of Columbia.

By Mr. GUBSER:

H.R. 6822. A bill to clarify the legal status of employer or joint industry contributed apprenticeship funds and other joint or individual apprenticeship activities; to the Committee on Education and Labor.

By Mr. HERLONG:

H.R. 6823. A bill to amend sections 130, 131, and 1201 of the Tariff Act to provide for the carriage by U.S.-flag commercial vessels of at least 50 percent of the gross tonnage of importations of crude, fuel or refined petroleum, or in the alternative for an ad valorem duty; to the Committee on Ways and Means.

By Mr. JUDD:

H.R. 6824. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. LANE:

H.R. 6825. A bill to amend the Postal Field Service Compensation Act of 1955 to eliminate certain restrictions on the receipt by postal field service employees of the compensation of higher salary levels in connection with temporary assignments thereto; to the Committee on Post Office and Civil Service.

By Mr. LINDSAY:

H.R. 6826. A bill to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 6827. A bill to amend the International Claims Settlement Act of 1949, as amended, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MARTIN:

H.R. 6828. A bill to amend the Internal Revenue Code of 1954, so as to restore competitive equality to retailers and other distributors with respect to certain sales to business and other organizations; to the Committee on Ways and Means.

By Mr. CLEMENT W. MILLER:

H.R. 6829. A bill to provide for the granting of a nonquota immigrant status to certain immigrants who are the brothers, sisters, sons, or daughters of citizens of the United States; to the Committee on the Judiciary.

By Mr. MURRAY:

H.R. 6830. A bill to provide for uniformity of application of certain postal requirements with respect to disclosure of the average numbers of copies of publications sold or distributed to paid subscribers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. POFF:

H.R. 6831. A bill to amend the Social Security Act to provide that the Secretary of Health, Education, and Welfare shall, under certain circumstances, disclose the current addresses of husbands and parents who have deserted their families; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H.R. 6832. A bill to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. VAN ZANDT:

H.R. 6833. A bill to amend the Career Compensation Act of 1949, as amended, to correct certain deficiencies; to the Committee on Armed Services.

By Mr. WIER:

H.R. 6834. A bill to prohibit the serving of alcoholic beverages to passengers on aircraft in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. RIVERS of Alaska:

H.R. 6835. A bill to amend the act of August 10, 1939, authorizing the Postmaster General to contract for certain powerboat service in Alaska; to the Committee on Post Office and Civil Service.

By Mr. TOLL:

H.R. 6836. A bill to provide for the establishment of a commission for the prevention of discrimination in employment in connection with the performance of certain contracts; to the Committee on the Judiciary.

By Mr. BASS of New Hampshire:

H.J. Res. 358. Joint resolution to provide interim authorization for home mortgage insurance; to the Committee on Banking and Currency.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FARBSTEIN:

H.R. 6837. A bill for the relief of Marcel and Klara Moscona and minor son, Moshe; to the Committee on the Judiciary.

By Mrs. KEE:

H.R. 6838. A bill for the relief of Adel Nassib Masri; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 6839. A bill for the relief of Ariel Shapiro; to the Committee on the Judiciary.

By Mr. LEVERING:

H.R. 6840. A bill for the relief of Mrs. Victoria Pazan; to the Committee on the Judiciary.

H.R. 6841. A bill for the relief of James Montzroszis; to the Committee on the Judiciary.

H.R. 6842. A bill for the relief of Anna Wala; to the Committee on the Judiciary.

H.R. 6843. A bill for the relief of Daniel Wilging; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H.R. 6844. A bill for the relief of Hripsime Arakelian Ohanian; to the Committee on the Judiciary.

### PETITIONS, ETC.

Under clause 1 of rule XXII,

171. The SPEAKER presented a petition of E. E. Richardson and others, Melbourne, Fla., petitioning consideration of their resolution with reference to the enactment of legislation granting social security coverage to U.S. Government employees in addition to civil service retirement, which was referred to the Committee on Ways and Means.